H
SCHOOL
DAYCARE
SAFEHOUSE
POLICE
ABC

Alberta Children's Services

ANNUAL REPORT HIGHLIGHTS 2003 - 2004

Alberta

MESSAGE FROM THE minister

> We strive to provide safe and nurturing environments for the children and youth of Alberta where they may develop to their potential.

ALBERTA CHILDREN'S SERVICES endeavours to give children and youth the opportunity to live happy and rewarding lives by working in partnership with families, communities and others. We strive to provide safe and nurturing environments for the children and youth of Alberta where they may develop to their potential. We believe in putting kids first!

In 2003-04 we spent approximately $700 million on programs, services and initiatives and were able to make great strides toward fulfilling our vision of strong children, families and communities. This booklet highlights some of our accomplishments.

I would like to take this opportunity to thank Children's Services staff, as well as our community, government and private sector partners for their hard work and commitment. Together we are building brighter futures for Alberta's children.

Iris Evans

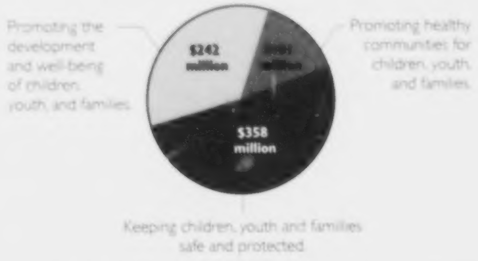
Iris Evans,
Minister
Alberta Children's Services

STRONG CHILDREN, FAMILIES AND communities

Recognizing the crucial role parents play in the development and welfare of a child, the Alberta Government has committed to providing parents and caregivers with the supports they need to succeed. This is done by reinforcing that services to children are a responsibility shared between parents, communities and government. Within this system of shared responsibility, Alberta Children's Services takes the lead in three core businesses:

1. Promoting the development and well-being of children, youth and families
2. Keeping children, youth and families safe and protected
3. Promoting healthy communities for children, youth and families

Comparison of 2003-04 Expenses* by Core Business



* rounded off 2003-04 actuals

In 2003-04, the Children's Services Ministry worked toward achieving a number of goals that fall under these three core businesses.

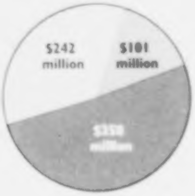
SCHOOL
DAYCARE
SAFEHOUSE
POLICE

STRONG CHILDREN, FAMILIES AND communities

Recognizing the crucial role parents play in the development and welfare of a child, the Alberta Government has committed to providing parents and caregivers with the supports they need to succeed. This is done by reinforcing that services to children are a responsibility shared between parents, communities and government. Within this system of shared responsibility, Alberta Children's Services takes the lead in three core businesses:

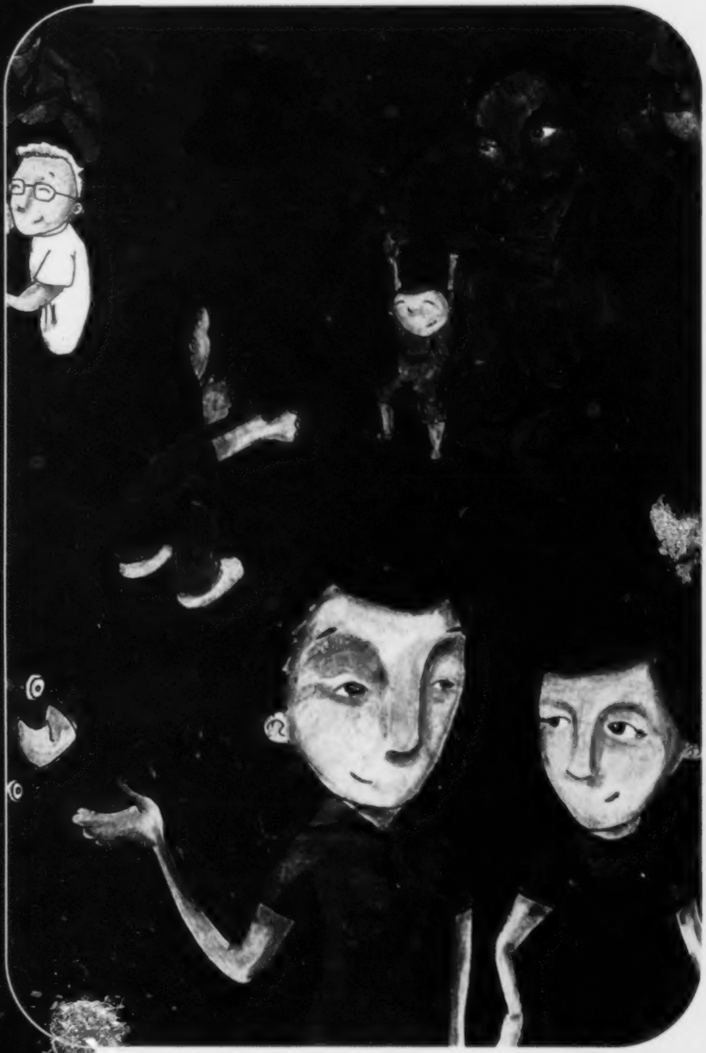
1. Promoting the development and well-being of children, youth and families
2. Keeping children, youth and families safe and protected
3. Promoting healthy communities for children, youth and families

Comparison of 2003-04 Expenses by Core Business



In 2003-04, the Children's Services Ministry worked toward achieving a number of goals that fall under these three core businesses.

SCHOOL
DAYCARE
SAFEHOUSE
POLICE



GOAL 1.1

Children and youth will have a healthy start in life and the supports they need to reach their potential

UNDER THE CROSS-MINISTRY ALBERTA Children and Youth Initiative (ACYI), Children's Services works closely with the ministries of Health and Wellness and Learning to meet and report on early childhood development (ECD) performance targets. During the year, the ministry explored ways to bring parent resource centers to communities across Alberta, completed an inventory of ECD investments and researched screening tools for children at 18 months and three years. Furthermore, in a unique partnership with business, government, private foundations and community organizations, Children's Services expanded the national Roots of Empathy program, which is designed to foster empathy, nurturing and parenting skills in grade one children.

In 2003-04 Children's Services initiated a child care accreditation program that will improve standards and promote excellence in child care, as well as help families select the best child care setting for their children. By the end of the fiscal year, 95 per cent of Alberta day cares and 98 per cent of family day homes had received pre-accreditation funding to facilitate staff training, program enhancements and staff support totaling almost $4.27 million. The ministry also partnered with educational institutions and early childhood professionals to deliver an orientation course for child care staff to over 1,500 participants in urban, rural and First Nations communities.

Access to child care also improved during 2003-04 with the Kin Child Care Funding program and the Child Care Subsidy E-Business Initiative. The Child Care Subsidy E-Business Initiative provides low-income families with easier access to the child care subsidy program. Thanks to the E-Business Initiative, approximately 30 per cent of families applying for child care subsidy have submitted their application online. As a result of Kin Child Care Funding program, eligible low-income families now have the ability to pay non-custodial relatives for child care.

SCHOOL
DAYCARE

Children with disabilities face greater challenges than others in getting all the support they need for healthy development. In 2003-04, Children's Services showed support in policy and legislation, refocusing important resources on early intervention, and better family supports. The *Family Support for Children with Disabilities* (FSCD) *Act* received royal assent in May 2003.

The *Family Support for Children with Disabilities* (FSCD) *Act* received royal assent in May 2003.

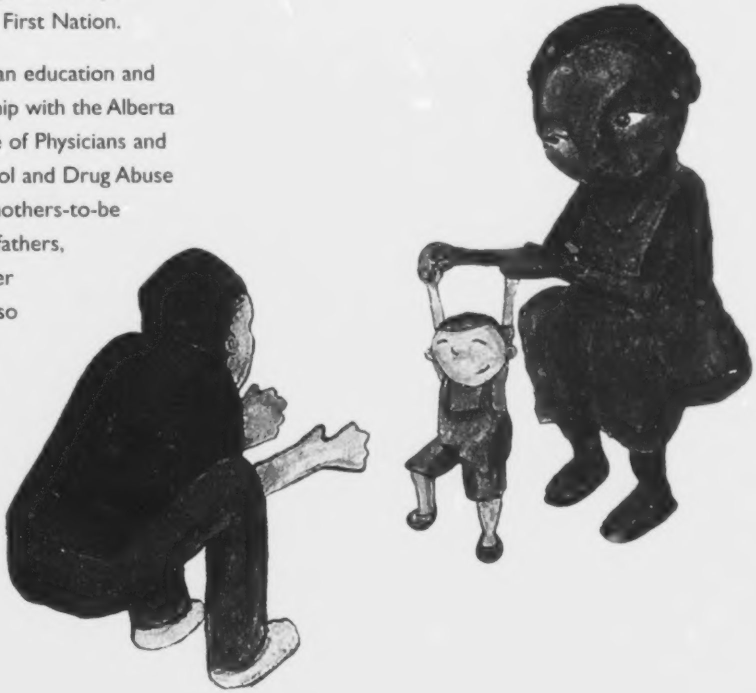
The act sets the stage for a spectrum of proactive, family-centered support and services for children with disabilities as well as their families. Draft regulations and policies were developed to support the act in consultation with parents and stakeholders.

The ministry also worked with Child and Family Services Authorities (CFSAs) and Regional Health Authorities on a multi-disciplinary assessment for children with disabilities, (initially of children with autism) to identify supports for a child's individual needs. Also, a new information system, FSCDIS (Family Supports for Children with Disabilities Information System), a toll free child disability information line, and a database of disability information to support the line were developed.

The effects of Fetal Alcohol Spectrum Disorder (FASD) are not only damaging to individual children, but to society as a whole. In 2003-04, Children's Services invested $4.75 million, among the most generous in Canada in FASD prevention and support programs. These programs included the First Steps programs in Lethbridge and Edmonton, a partnership project with the Metis Nation of Alberta that resulted in the powerful "Faith Like a Child" video, the FASD Practice Standards project and the Awakenings project developed and implemented by the Siksika First Nation.

As well, the ministry launched an education and awareness campaign in partnership with the Alberta Medical Association, the College of Physicians and Surgeons and the Alberta Alcohol and Drug Abuse Commission that encouraged mothers-to-be not to drink alcohol and asked fathers, family and friends to 'support her healthy choices'. The ministry also developed a database of FASD programs across the province, organized two conferences on FASD research and practice, and helped redesign the Alberta cross-ministry partnership on FASD.

> In 2003-04, Children's Services invested $4.75 million in FASD prevention and support programs.



GOAL 2.1

Families will be safe, healthy, and able to promote children's development.

THE PREVENTION OF FAMILY VIOLENCE was a major focus for Children's Services in 2003-04. The Alberta Council of Women's Shelters (ACWS) received a grant from the ministry to deliver the 'Children Exposed to Violence' cross-sector training to 240 participants from across Alberta, as well as $300,000 to open 14 new beds at women's shelters in Edmonton and Calgary. Children's Services and ACWS also worked closely with law enforcement to provide family violence instruction to over 2500 RCMP members.

To further support our concentration on family violence, Children's Services consulted with Albertans through 13 regional workshops that were held throughout February and March. These workshops were used to develop a comprehensive set of recommendations for action that will form the cornerstone of provincial and community-driven strategies to address family violence and bullying in Alberta.

Children's Services plays a lead role in engaging, improving and connecting community-based early intervention strategies so that families can obtain a continuum of services. The Alberta Response Model (ARM) assists families in overcoming at-risk circumstances and caring for their children. A Provincial Director of Child Welfare was established in 2003-04, to ensure that timely, effective and equitable services are available to all Alberta families. Children's Services also made an additional $2 million available to Family and Community Support Services (FCSS) partners, to aid in the delivery of ARM activities.

In 2003-04, 89.7 per cent of children and youth reported to be at-risk who received supports through community resources, did not require follow-up child protection services.

Data source: Child Welfare Information System
Alberta Children's Services

GOAL 2.2

Children in need will be protected and supported by permanent, nurturing relationships.

ALL CHILDREN NEED HEALTHY, STABLE and loving homes. Adoption can be a great way to fulfill that need. In 2003-04, Children's Services placed 302 children in adoptive homes, a 30 per cent increase over the previous year. Twenty of these children were adopted through the Open Custom Adoption program, a unique effort of the Yellowhead Tribal Services Agency. The ministry's innovative adoption website also continued to do well, receiving international recognition, a profile in the North American Council on Adoptable Children newsletter and a nomination for the Premier's Award of Excellence for 2004. The site was also a finalist for the Canadian Information Productivity Award in 2003. Furthermore, the International Adoption program facilitated 120 adoptions from 29 countries.

The new *Child, Youth and Family Enhancement Act* received royal assent in May 2003. To support the act, the ministry developed a draft regulatory framework and policies, training modules for ministry, Delegated First Nations Agencies (DFNA) and agency staff, and hosted a provincial professional seminar to promote Family Group Conferencing in creating successful goals and permanency plans for Alberta's children, youth and families.

> The new *Child, Youth and Family Enhancement Act* received royal assent in May 2003.

It can be difficult for some youth leaving child welfare to make successful transitions to independence. Children's Services is committed to helping with that transition. In 2003-04 the Youth in Transition mentoring pilots, conducted with the Alberta Mentoring Partnership were expanded to include Internet mentoring, and youth at risk, including at-risk youth in aboriginal communities. Plans were also put in place to provide mentors for the Advancing Futures Bursary program, which provides post-secondary educational funding to youth who have been, or continue to be in government care. As of March 31, 2004, the ministry awarded 69 youth approximately $325,000 in post-secondary educational funding. In addition, Children's Services led an initiative to identify the financial and social supports required so that 16 and 17 year olds who are no longer in need of protection can live independently.

In 2003-04, a new framework was established to respond to the current needs and trends of children at risk of sexual exploitation. A review of emerging trends, including the use of technology, led to the development of a new Alberta Children and Youth Initiative (ACYI) cross-ministry strategic plan. The plan addresses issues related to the sexual exploitation of children including child prostitution, child pornography and Internet luring. In support of the plan, Children's Services provided Internet safety software to over 3,500 foster parents to help them protect children in care from online threats and predators.

GOAL 3.1

The well-being and self-reliance of aboriginal children, families and communities will be promoted, supported and comparable to that of other Albertans.

CHILDREN'S SERVICES CONTINUED TO make aboriginal children's issues a priority through the ministry's champion role with the Aboriginal Policy Initiative. The ministry worked with First Nations communities to develop and strengthen prevention and early intervention services. In addition, the ministry participated in a special meeting of Ministers Responsible for Social Services, national aboriginal organization leaders, and the Minister of Indian and Northern Affairs Canada (INAC) to discuss ways of addressing First Nations child welfare, disability and Fetal Alcohol Spectrum Disorder (FASD) issues.

The Aboriginal Youth Suicide Prevention Strategy became one of the key components of the Alberta Children and Youth Initiative (ACYI) in 2003-04.

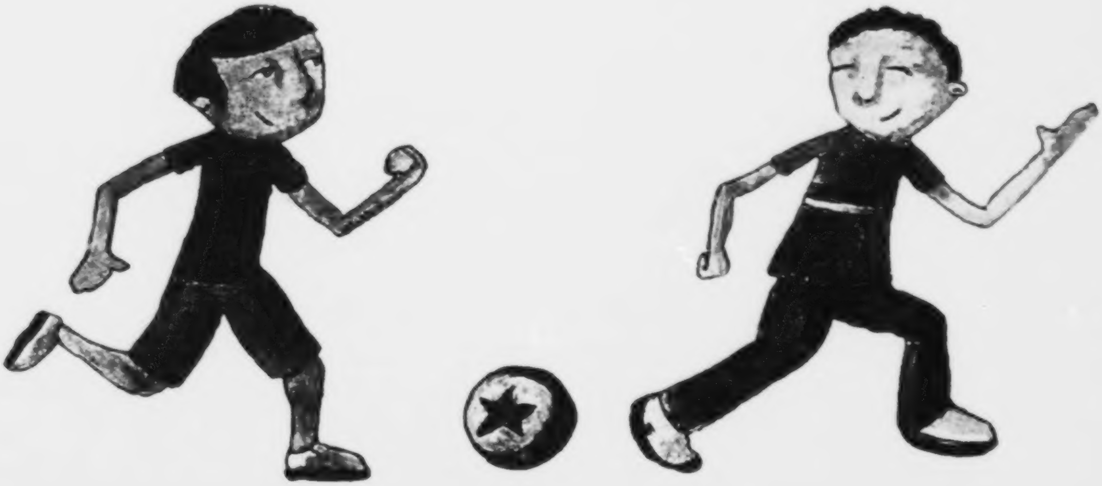
Phase one of the strategy included:

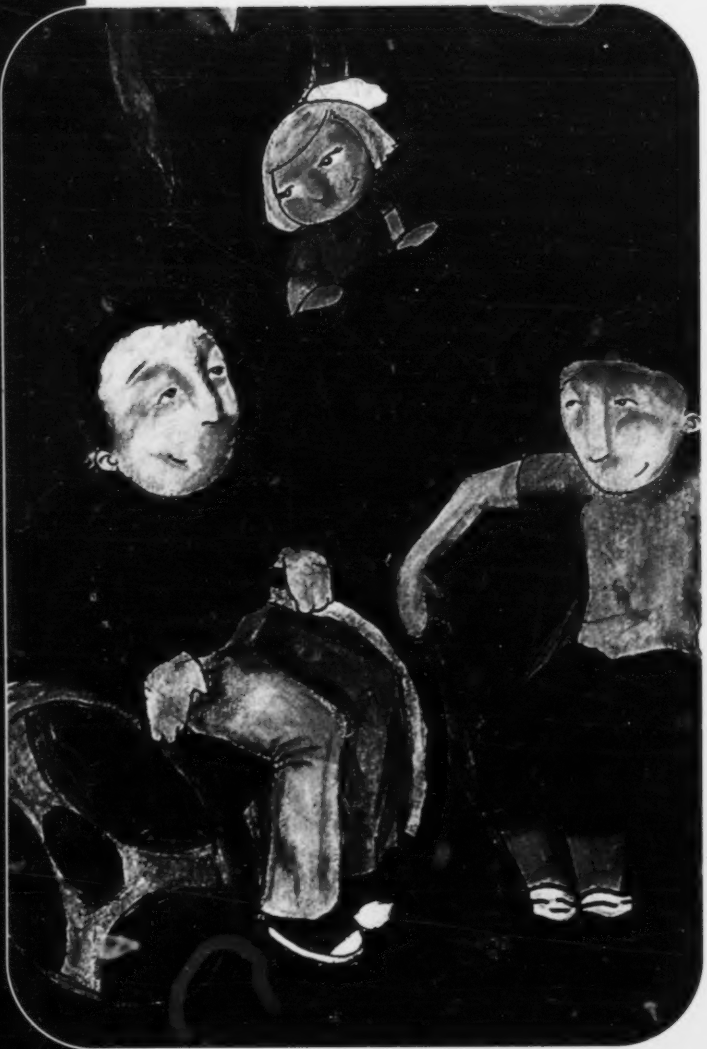
- Implementing four aboriginal mentoring program pilots across the province.
- Working with three aboriginal communities to develop their own pilots to address social determinants of aboriginal youth suicide.
- Establishing a partnership with Health Canada, First Nations and Inuit Health Branch to support implementation of the strategy, including development of an integrated plan and resources.

In 2003-04, 47.1 per cent of aboriginal children and youth in care* were reunited with their families or placed in other stable, long-term living arrangements.

Data source: Child Welfare Information System
Alberta Children's Services

* foster care, group care and residential care





GOAL 3.2

Communities will have the capacity to plan and deliver services that promote the well-being of children, youth and families.

IN MAY 2003, DURING THE UNITING for Children Forum, Children's Services helped launch Alberta's Promise, a public-private enterprise including business, agency and community partners dedicated to exploring socially responsible ways of working together to provide children and youth with the opportunity to lead happy, healthy, and successful lives. In 2003-04, 57 businesses, 55 agencies and seven communities became 'Promise Partners'.

In 2003-04, Children's Services directed efforts to ensure that the voices of children can be heard in the decision-making processes that affect them.

Premier Ralph Klein, Mrs. Colleen Klein and Minister Iris Evans celebrate with the winners of the 2004 Great Kids Awards.

The Youth Advisory Committee gave Alberta youth a voice in Government of Alberta policy changes addressing issues important to adolescents. Regional youth forums, which were planned by youth, profiled and increased awareness of youth issues for consideration in subsequent planning. The ministry also continued to create opportunities for youth involvement such as the My Alberta artwork/essay contest and the Community Advocacy Initiative, which involves community members advocating for children and youth.

The Great Kids Awards honour and support children and youth throughout the province for their leadership, selflessness and community spirit. In 2003-04, 16 amazing young Albertans, age 5 to 18, were recognized for their outstanding contributions to schools, families and communities.

For additional copies of this document please call 780-422-3004
(dial 310-0000 for toll free access) or visit the Children's
Services website at **www.child.gov.ab.ca** to view a pdf.

Alberta Children's Services

H
SCHOOL
DAYCARE
POLICE
ABC

ANNUAL REPORT 2003 – 2004

Alberta

Alberta Children's Services
12th Floor, Sterling Place
9940-106 Street
Edmonton, AB
T5K 2N2
Ph: (780) 422-3004
Fax: (780) 422-3071

TABLE OF contents

Preface 2

Minister's Accountability Statement 3

Message from the Minister 4

Management Responsibility for Reporting 8

Overview of the Ministry 11

Operational Overview

Overall ministry Operations and Services 11

Children's Services Organization 12

Description of Organization 13

Ministry Core Businesses 15

Summary of Key Activities 17

Results Analysis

Message from the Deputy Minister 21

Fetal Alcohol Spectrum Disorder (FASD): Prevention Initiatives 23

Child and Family Service Authorities Highlights 25

Cross Ministry Initiatives 28

Report of the Auditor General 33

Discussion and Analysis of Results 34

Corporate Strategies 73

Financial Analysis 76

Looking Forward 81

Financial Information

Ministry of Children's Services Financial Statements 83

Department Financial Statements 101

Children's Services Statement of Remissions, Compromises and Write-offs 119

Appendices

1. Glossary of Terms 121
2. Performance Measures – Data Sources and Methodology 123
3. Child Welfare Appeal Panel 125
4. Child and Family Services Authorities Directory 126
5. Alphabetical List of Government of Alberta Entities Financial Statements 128

Financial Statements

CFSA Financial Statements 133

PUBLIC ACCOUNTS 2003-2004

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

THE ANNUAL REPORT OF THE Government of Alberta released June 2004 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the Measuring Up report.

This annual report of the Ministry of Children's Services contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Children's Services and 10 Child and Family Services Authorities for which the minister is responsible,**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of the financial statements, to the extent that the ministry has anything to report.**

minister's
ACCOUNTABILITY STATEMENT

THE MINISTRY'S ANNUAL REPORT FOR the year ended March 31, 2004, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of September 1, 2004 with material economic or fiscal implications of which I am aware, have been considered in the preparation of this report.

Iris Evans

Iris Evans
Minister of Children's Services

MESSAGE FROM THE minister

On behalf of the Alberta provincial government, it is my pleasure to present Children's Services 2003-04 Annual Report.

I AM VERY PLEASED WITH THE PROGRESS the ministry has made in improving programs and services for Alberta's children, families and communities. We have made great strides toward fulfilling our vision of building strong children, families and communities.

In May, the ministry hosted its third 'Uniting for Children' forum. It was thrilling to see such a strong and diverse attendance of more than 1,500 delegates enjoy and participate in this significant event for our province. The excellent speakers from the variety of concurrent sessions held over the two days, and the special features, helped create our most exciting and dynamic forum to date. The feedback we received during the forum will play an important role in helping us to set new directions and improve service delivery for children, youth and families for years to come.

The 2003 Children's Forum also played host to the launch of Alberta's Promise, a partnership between the business community and not-for-profit agencies benefiting children. During the launch, 11 members of the business community made a promise to improve the lives of Alberta's children and youth. It was overwhelming to see so many people stepping up to the plate for our children and pledging their support. Since the launch, 46 more Alberta businesses have become 'Promise Builders'.

The prevention of family violence and bullying was a major focus for our department, and government as a whole in 2003-04. In October, Premier Klein called for a provincial roundtable on family violence. He gave our department the responsibility of planning the roundtable, where the goal was to create recommendations for an action plan to address family violence and bullying.

In preparation for the roundtable, and to ensure as many voices as possible were heard, 13 regional workshops were held throughout February and March. Focus groups were also held and a questionnaire was distributed throughout the province. I was fortunate to have attended almost all of the workshops and listened first-hand to many exceptional and devoted members of our communities. What we heard from Albertans is that society is ready for change. Society will not stand for family violence and bullying any longer.

All the feedback we've gathered was compiled for the Provincial Roundtable in May 2004. The goal of the roundtable is to develop a comprehensive set of recommendations for action that will form the cornerstone of provincial and community-driven strategies to address family violence and bullying in Alberta.

On-going consultation with Albertans throughout the year also helped the department in drafting regulations for the new *Child, Youth and Family Enhancement Act* and the *Family Supports for Children with Disabilities Act*. Both acts received royal assent in the spring of 2003.

This year, Alberta's dedicated and tireless Social Care Facilities Review Committee (SCFRC) concluded 179 reviews of social care facilities across our province. Led by Cindy Ady, MLA for Calgary-Shaw, committee members visited 65 foster homes, 30 child and youth facilities, 73 day cares and 11 women's shelters. They also contributed submissions to the Provincial Roundtable on Family Violence and Bullying, the Alberta Learning Commission Report and the *Family Support for Children with Disabilities Act* regulations. The work done by the SCFRC will help to ensure quality of services and care are being provided to Alberta's children, youth and families for years to come. My salute to these individuals for their excellent work.

Alberta's Child Care Accreditation program is the first of its kind in Canada and builds on our government's investment in early childhood development to identify early learning and child care services that meet standards of excellence and our commitment to children as the leaders of tomorrow. The Accreditation program will improve standards and promote excellence in child care, as well as help families select the best child care setting for their children. It will also improve staff retention, as recipients will be required to direct 80 per cent of the funding they receive to child care staff salaries.

As of February 2004, 94.5 per cent of eligible day-care centers in Alberta have received a total of almost $3 million: $2.36 million in staff support funding to enhance the wages of 4,000 certified day care staff and almost $500,000 in quality recognition improvement funding. In addition, 97.7 per cent of eligible family day home agencies have received a total of $1.27 million. This includes more than $860,000 in provider support funding to enhance the wages of 1,700 day home providers and more than $400,600 in provider training grants.

The effects of Fetal Alcohol Spectrum Disorder (FASD) are not only damaging to the individual child, but to society as a whole. In 2003-04, Children's Services invested $4.75 million, among the most generous in Canada, in prevention and support programs for this 100 per cent preventable disorder. These funds were used to support services available within the regions and to fund 11 demonstration projects, regional programs, educational programs, evaluation, research and partnership initiatives. As well, the ministry launched an education and awareness campaign that encouraged mothers-to-be not to drink alcohol and asked fathers, family and friends to 'support her healthy choices'. The campaign was developed in partnership with the Alberta Alcohol and Drug Abuse Commission, the College of Physicians and Surgeons, and the Alberta Medical Association.

Early childhood development is another one of the ministry's key program areas and a top priority for government under the Alberta Children and Youth Initiative (ACYI). We know that a child's early experiences have a powerful and lasting effect on their future successes as individuals and in their ability to contribute to society. In December 2003, Children's Services, along with Learning and Health and Wellness released the 2002-03 Alberta Investments and Outcomes in Early Childhood Development annual report. The report highlighted many of the great things Alberta is doing to promote early childhood development, including Children's Services' Home visitation, Head Start, and Parent Child Literacy programs. The report also showed a comparison of how well Alberta children are doing in comparison to the national average. According to the most recent statistics, 81 per cent of Alberta babies were born at a healthy birth weight, higher than the Canadian average of 80.6 per cent, and 77.1 per cent of Alberta children were read to by an adult at least once a day, also higher than the Canadian average of 66.1 per cent.

FASD and early childhood development are also top research priorities for Alberta's new Centre for Child, Family and Community Research. This research centre, which had its official launch in January 2004, is now fully operational and has been acknowledged across the province and other jurisdictions as a visionary move by Children's Services to support applied, cross-sectoral, social science research. In 2003-04, Dr. Suzanne Tough, a nationally recognized FASD researcher and Heritage Scholar was recruited as the centre's scientific director.

> We know that a child's early experiences have a powerful and lasting effect on their future successes as individuals and in their ability to contribute to society

Children's Services, along with our cross-government partners under the Alberta Child and Youth Initiative (ACYI) has developed a four-part strategy to address the issue of child sexual exploitation, which includes Internet luring, child prostitution and child pornography. Implementation is set to begin in the spring of 2004.

Based on the belief that an educated population is one of the keys to a strong and healthy community, Children's Services implemented a new bursary program in November 2003 to assist youth who have been, or continue to be in our permanent care. As of March 31, 2004, the

105-02405/

ministry awarded 69 youth approximately $325,000 in post-secondary educational funding.

Input from youth is extremely important to Children's Services as we make plans for the years ahead. This year, under the guidance of Mary Anne Jablonski, MLA for Red Deer North, and chair of the Youth Secretariat, our Youth Advisory Panel provided feedback on issues such as bullying, domestic violence, fetal alcohol spectrum disorder, and mentoring. The panel also reviewed and provided recommendations on the Career and Life Management (CALM) curriculum, and helped to develop the ministry bursary program.

The Children's Advocate launched a community advocacy initiative in June 2003. This exciting initiative aims to make advocacy knowledge and skills available to community members through local workshops. It also endeavours to encourage community organizations to include advocacy support as one of their array of services available to vulnerable children and families. Since the launch, 50 workshops have been delivered in communities throughout the province.

Our adoption website continues to do well and has sparked interest and praise from across the country. The site was nationally recognized as a finalist in the 2003 Canadian Information Productivity Awards. The adoption website was responsible for matching 76 children for adoption in 2003-04 and quadrupled the previous year's increase in the number of adoptions.

In 2003-04 Children's Services allocated $2 million to a new initiative, the Community Partnership Enhancement Fund. Its purpose is to assist Family Community Support Services (FCSS) and Child and Family Services Authorities (CFSA) to strengthen local initiatives that benefit children, youth and families. FCSS and CFSAs in all regions have come together to develop proposals and work on plans that better integrate resources and activities.

One of the most important lessons I have come to realize as Minister of Children's Services is that we can learn a lot from children. On March 14, 2004, in a ceremony at the Fantasyland Hotel in Edmonton, 16 children and youth from across Alberta were honoured for their dedication, compassion for others, and hard work. I feel honoured just to have met these great kids!

I am very proud of the accomplishments Children's Services staff and partners have made in 2003-04 on behalf of Alberta's children, youth and families. I look forward to building even stronger relationships and improving programming and services that will benefit Alberta's future generations for years to come. I encourage you to continue reading through our annual report and learn about the many other programs and services benefiting children, youth and families that Alberta Children's Services offers.

Iris Evans
Minister

MANAGEMENT RESPONSIBILITY FOR *reporting*

THE MINISTRY OF CHILDREN'S SERVICES includes the Office of the Children's Advocate, the 10 Child and Family Services Authorities, Family and Community Support Services, the Youth Secretariat, the Department of Children's Services and the Social Care Facilities Review Committee.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Children's Services. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

> Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

As deputy minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Children's Services any information needed to fulfill their responsibilities, and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.

Paula Tyler
Deputy Minister
September 1, 2004

operational overview

OPERATIONAL overview

Overall ministry Operations and Services

Alberta has approximately 786,000 children under the age of 18. The Children's Services Ministry endeavors to give these children and youth the opportunity to live happy and rewarding lives, by working with families and communities to break cycles of family violence, stop abuse and strengthen their capacity to support children's health development. Together with others, we strive to provide safe and nurturing environments for the children and youth of our province.

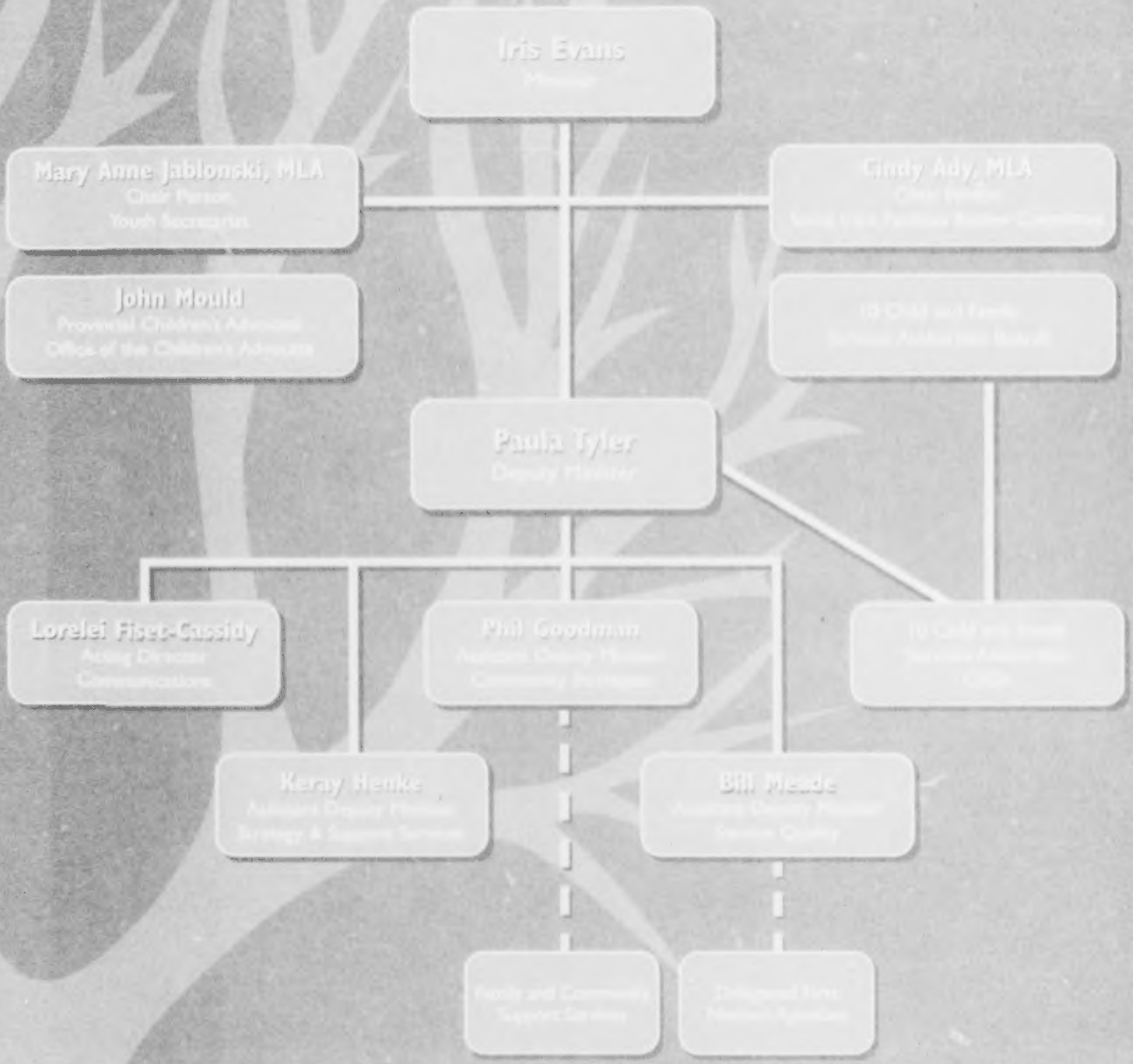
Our vision of strong children, families and communities is an Alberta where children and youth are valued, nurtured and loved. They will develop to their potential supported by enduring relationships, healthy families, and safe communities.

Alberta will be child, youth and family friendly.

Our mission is to work together to enhance the ability of families and communities to develop nurturing and safe environments for children, youth and individuals.

> The Children's Services ministry endeavors to give these children and youth the opportunity to live happy and rewarding lives.

Children's Services Organization


Iris Evans
Minister
Mary Anne Jablonski, MLA
Chair Person
Youth Secretariat
Cindy Ady, MLA
Chair Person
Social Care Facilities Review Committee
John Mould
Provincial Children's Advocate
Office of the Children's Advocate
10 Child and Family
Services Authorities Boards
Paula Tyler
Deputy Minister
Lorelei Fiset-Cassidy
Acting Director
Communications
Phil Goodman
Assistant Deputy Minister
Community Strategies
10 Child and Family
Services Authorities
CEOs
Keray Henke
Assistant Deputy Minister
Strategy & Support Services
Bill Meade
Assistant Deputy Minister
Service Quality
Family and Community
Support Services
Delegated First
Nation Agencies

Description of Organization

Under Alberta law, the provincial government is accountable for services providing for the safety, security and well-being of children and families. The Ministry of Children's Services fulfils these obligations through a number of entities. These include:

Child and Family Services Authority (CFSA)

Led by a board of community members appointed by the Minister of Children's Services, and through a memorandum of understanding between the minister and each board, CFSAs provide supports and services to children and families at a regional level. To ensure the effectiveness of each authority, a chief executive officer is appointed in each region with responsibilities for overseeing the execution of the board's policies and decisions. More than 2,000 Alberta Government employees work in the province's 10 CFSAs reporting to their respective chief executive officer. When necessary, CFSAs will contract community based agencies to deliver services.

Each Child and Family Services Authority:

- Ensures children and families have access to high quality services
- Assesses needs, sets priorities, plans, allocates resources, and manages services to children, families and other community members in the region
- Ensures provincial policies and standards are followed in the region
- Monitors and assesses the provision of child and family services
- Works with other CFSAs, public and private bodies, and government to coordinate services for children and families.

Child and Family Services Authorities

Southwest Alberta Child and Family Services Region 1

Southeast Alberta Child and Family Services Region 2

Calgary and Area Child and Family Services Region 3

Central Alberta Child and Family Services Region 4

East Central Alberta Child and Family Services Region 5

Edmonton and Area Child and Family Services Region 6

North Central Alberta Child and Family Services Region 7

Northwest Alberta Child and Family Services Region 8

Northeast Alberta Child and Family Services Region 9

Metis Settlements Child and Family Services Region 10

(See page 133 - 271 for the financial information of each of the Child and Family Services Authorities)

Delegated First Nations Agencies (DFNAs)

In an effort to better meet the unique needs of aboriginal children, Alberta Children's Services recognizes the need for First Nation and Metis communities to have a role in the design, implementation, monitoring and evaluation of child welfare services. Under the 1973 Blackfoot (Siksika)-Canada-Alberta Child Welfare agreement, and other subsequent agreements, aboriginal agencies provide some or all child welfare services to their member bands' families. Under these agreements Delegated First Nations Agencies have the authority to deliver services under the *Child Welfare Act*.

Family and Community Support Services

Family and Community Support Services (FCSS) is a funding partnership between the province, municipalities and Metis settlements. Based on a key principle of local autonomy in priority setting and resource allocation, FCSS communities design and deliver social programs that are preventive in nature to promote and enhance well-being among individuals, families, and communities.

Youth Secretariat

The Youth Secretariat works with youth, families, MLAs, ministry representatives, government departments and stakeholders to address issues facing Alberta's youth. The secretariat also supports and maintains a Youth Advisory Panel to develop solutions that effectively address youth issues.

Office of the Children's Advocate

The Office of the Children's Advocate represents the rights, interests and viewpoints of children receiving child welfare services. The office also identifies issues of concern in the child welfare system and reports directly to the minister regarding these issues. It also works to help children who receive services under the *Child Welfare Act* and identifies areas of the child welfare system to be improved.

Social Care Facilities Review Committee (SCFRC)

The SCFRC is a citizen panel, appointed by the minister, with a legislated mandate to evaluate provincially funded social care facilities and investigate complaints. The committee reports directly to the minister and is chaired by Cindy Ady, MLA for Calgary-Shaw.

Communications

The Communications branch works to provide Albertans with useful, timely and clear information about Children's Services. Communications staff provide ministry and cross-government communications planning and consulting support. They also plan and implement communications programs, provide media relations on behalf of the ministry, and provide graphic design, advertising, Internet development, and print production assistance and advice. Communications personnel also provide communication services to the Child and Family Services Authorities (CFSAs).

Service Quality Division

This division provides leadership and support for the delivery of high quality services to children and families services that are focused on better outcomes for children. The division implements quality assurance standards, practice support, outcomes evaluation, and takes responsibility for program policy and service design. Staff of the Service Quality Division provide support to CFSAs by offering guidance and expertise in accountability and program delivery as well as managing provincial programs that CFSAs depend on.

Community Strategies Division

The Community Strategies Division provides leadership and support to promote greater capacity and resiliency for community-based services that support children in reaching their potential. Staff analyze trends in research and develop and evaluate strategies and programs that help the ministry develop policy and program initiatives for Alberta's children and youth. To extend the reach of services and to benefit from the knowledge and experience of others, the division builds partnerships with:

- federal and provincial ministries and authorities
- community agencies and organizations
- educational institutions and other governments (including First Nations communities)
- the corporate sector.

It is also responsible for the ministry's role in the joint accountability and policy coordination involving both the Alberta Children and Youth Initiative and the Aboriginal Policy Initiative.

Strategy and Support Services Division

This division provides strategic and operational support to the ministry's policy and program development and service delivery. The division is responsible for coordinating the business planning and corporate strategic operations of the ministry, performance measurement and reporting strategies across the ministry, providing of legal advice, legislative planning and support to the *Child Welfare Act Review*, and, coordinating the financial planning, budgeting, analysis and monitoring processes for the ministry. Responsibilities also include coordinating effective human resource strategies and initiatives, managing and coordinating data resources, records management, information systems and technology infrastructure, and providing advice in the areas of the *Freedom of Information and Protection of Privacy Act* and.

Ministry Core Businesses

Recognizing the crucial role parents play in the development and welfare of a child, the Government of Alberta has committed to providing parents and caregivers with the supports they need to succeed. This is done by legislating that children's services are a responsibility shared between parents, communities, Child and Family Services Authorities (CFSAs), childcare practitioners, other levels of government, and the public. The following core businesses, goals and outcomes reflect both the responsibility and the commitment the ministry shares with municipalities (through FCSS), First Nations and Metis settlements (through CFSAs), and Delegated First Nations Agencies (DFNAs), to achieve positive outcomes for Alberta children and families.

Within this system of shared responsibility, Alberta Children's Services, under the direction of the minister, takes the lead in three core businesses.

Core business 1:

Promoting the development and well-being of children, youth and families

Children's Services works with ministry partners to increase the ability of children to have a healthy start in life and the opportunities they need to learn, grow, excel and achieve their potential. Outcomes are:

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy
- Children and youth meet individual developmental milestones

Core business 2:

Keeping children, youth and families safe and protected

The ministry will promote the ability of families to provide safe and nurturing environments for their children's development and transform child welfare to improve outcomes for children and families. Outcomes are:

- Children, youth and families at risk overcome their circumstances
- Children, youth and families are safe, healthy, resilient and self-reliant
- Children and youth in need are protected from further abuse and neglect
- Children and youth in care are placed in secure and stable environments that allow for the development of life-long relationships and connection to family and community

Core business 3:

Promoting healthy communities for children, youth and families

The ministry will strengthen the capacity and self-reliance of communities, including aboriginal communities, to plan and deliver services to meet the needs of children, youth and families. Outcomes are:

- Aboriginal communities have the capacity to meet the needs of children, youth and families
- There is a reduced percentage of aboriginal children represented in the child welfare caseload
- Aboriginal children, youth and families receive culturally appropriate services
- Alberta is recognized for leadership in promoting strong children, families and communities at the international, national, provincial and community levels
- Communities are responsive to the needs, values and cultures of children and their families
- Children, youth and families participate in decisions that affect them
- Albertans are involved in addressing issues faced by children, youth and families

summary OF KEY ACTIVITIES

FOR THE MINISTRY OF CHILDREN'S Services, the year 2003-04 was very productive. The ministry conducted an extensive consultation on family violence, developed a new accountability framework and restructured the department. The ministry also continued to strengthen partnerships, develop legislation and refine program initiatives as a means to continuously improve the way services are provided to children and their families.

Improved efficiencies

Building on work from the previous year, the ministry underwent a realignment to support legislative changes. Department restructuring was implemented to clarify roles and responsibilities, including the development and refinement of processes for operational planning, budgeting, and records management.

The Child and Family Services Authority (CFSA) delivery structure was also realigned, reducing the number of CFSAs from 18 to 10. Changes in accountability relationships resulted in memorandums of understanding being signed between the minister and each CFSA Board to address:

> The ministry also continued to strengthen partnerships, develop legislation and refine program initiatives as a means to continuously improve the way services are provided to children and their families.

- the establishment of outcomes, strategies, operating authorities, roles and responsibilities and assessments, through accountability reports such as business plans.
- who is accountable for achieving outcomes, and how that accountability will be assessed

Consultation

A series of regional workshops were completed in preparation for a provincial Roundtable on Family Violence and Bullying. Participants at the workshops were a cross-section of Albertans invited through referrals from front-line community groups, as well as those who work, or are involved or interested in, the area of family violence and bullying. In addition to the workshops, and to ensure that issues were examined as comprehensively as possible, other consultation processes were used including a questionnaire and focus groups. Children and youth were also engaged through the "My Alberta: Violence-Free Contest".

Stakeholders and advisory groups were key to the development of the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*. Throughout both processes stakeholders were consulted and kept abreast of proposed changes to policies and regulations.

A strategic planning forum involving CFSA board members and staff, municipal Family and Community Support Services representatives, Delegated First Nations Agency representatives and departmental staff, set the stage for the 2004-06 Ministry Business Plan.

> Participants at the workshops were a cross-section of Albertans invited through referrals from front-line community groups, as well as those who work, or are involved or interested in, the area of family violence and bullying.

Youth representatives held and hosted a Uniting for Children Forum, which provided an opportunity for feedback and input on the impact of new legislation and the Alberta Response Model on youth. This forum is reflective of ongoing efforts to increase awareness of youth issues in order to inform subsequent planning within the ministry.

Program initiatives

The ministry worked to refine and improve services through several initiatives:

- Through the Family and Community Support Services (FCSS): Making a Difference Outcome Evaluation project, work continued on the significant challenge of determining results and developing a common provincial database for community based prevention programs. Over 135 municipal projects are working with the Canadian Outcomes Research Institute (CORI) to develop evaluation outcomes for individual municipalities and 53 agencies have implemented a training plan.

- An Advancing Futures Bursary program was implemented to assist those who have been, or continue to be, under the care of Alberta Children's Services, to succeed. The goal is to increase the number of youth in care participating in post secondary education by providing them with opportunities and equipping them with the necessary resources. In addition to financial support, recipients are given opportunities to develop a support team.
- Children's Services led initial work on the cross-ministry development of an Alberta Strategy for the Prevention of Family Violence, including preparations for the Alberta Roundtable on Family Violence and Bullying.
- In collaboration with First Nations representatives, a framework of DFNA Child Welfare Agreements that support First Nations communities to deliver child protection and permanency planning services for children, youth and families on reserves, was completed and implemented.
- The Family Enhancement component of the Alberta Response Model connects children and families with community-based resources. It has added an alternative service to both the family and to workers by making options available much earlier for responding to the needs of lower risk families. This is accomplished through regional partnerships, which call for a more cooperative response. Early results indicate a shift in caseload from protection to family enhancement.
- The new Adoption Website resulted in a heightened interest in adoption and subsequent unexpected uptake on the site. Since its launch, 510 applicants from all parts of Alberta registered to adopt a child during the 10 months following. This represents a 97 per cent increase over the same time period in the year before. This unprecedented access has been instrumental in matching or placing 145 children for adoption – 80 children featured on the website and an additional 65 children not featured on the site, but matched with parents who initially responded through the website. Because of its effectiveness in finding permanent homes for children, the Adoption Council of Canada ranked Alberta's program number one in Canada.

> The new Adoption Website resulted in a heightened interest in adoption and subsequent unexpected uptake on the site.

Partnerships

A significant partnership was formed between Children's Services, the Alberta College of Physicians and Surgeons and AADAC to implement an FASD prevention campaign.

A Community Partnership Enhancement Fund (CPEF) was established as an investment initiative to facilitate ongoing CFSA/FCSS partnership planning and coordination to support municipalities' efforts to strengthen their prevention programs. Guidelines for the fund have been approved and joint CFSA/FCSS planning is underway.

Legislation and Policy

The Child, Youth and Family Enhancement Act and the *Family Support for Children with Disabilities Act* received Royal Assent this year and proclamation is expected in 2004. Both pieces of legislation set the stage for increased concentration on earlier involvement along with mediation to respond to the needs of the child and family. Together this new legislation reaffirms a focus of services to support the child while at the same time preserving family involvement. Implementation of both these new pieces of legislation is ongoing, including development of draft policies and regulations, training, and communication with stakeholders.

results analysis

message

FROM THE DEPUTY MINISTER

CHILDREN'S SERVICES MANY achievements in 2003-04 took place on a number of fronts, including those that occurred as a result of our regional boundary changes and the amalgamation of our Child and Family Services Authorities (CFSA) from 18 to 10.

I'm pleased to report that since the amalgamation, our partnerships with Alberta's communities have grown even stronger. We are seeing better coordination, alignment and support of regional service delivery to benefit children, youth and families.

To support our concentration on family violence, Children's Services provided funding for province-wide training of all 2,500 RCMP officers on the dynamics of family violence in 2003-04.

In addition to our partnerships with other Alberta government ministries in family violence, Children's Services is partnering with Alberta Human Resources and Employment to assist youth in care in their transition to adulthood. Youth in care will now be provided with career counseling and planning services through the Career Transition for Youth in Care Partnership Agreement.

Many of Children's Services successes in 2003-04 can also be credited to the people that work on the front lines everyday, and consequently, investing in our staff is highly important.

In October 2003, the department launched its new employee Intranet site called ACS Worklinks. ACS Worklinks is helping to provide staff with

> **Many of Children's Services successes in 2003-04 can also be credited to the people that work on the front lines everyday, and consequently, investing in our staff is highly important.**

quick access to all of the online tools they use on a daily basis. It is also providing staff with the opportunity to share information with colleagues who are often separated by geographical distances. ACS Worklinks is an essential tool in keeping us connected When we are able to do our jobs better, Alberta's children and families benefit.

Also this year, 114 new CFSA and Delegated First Nations Agencies (DFNA) staff received training through the ministry's Child Welfare Training program. Developed through a contract with Grant MacEwan College, the program consists of an orientation and seven practice-related modules and includes both face-to-face and online learning. This program is recognized by the Alberta College of Social Workers (ACSW) as meeting the requirements for the professional development of its members.

Children's Services worked with the Alberta College of Social Workers (ACSW) to ensure that all of our CFSAs and DFNAs complied with the new requirements under the *Health Professions Act*, which ensures that all eligible social workers attain their registered social work designation within the agreed time frames.

In partnership with the RCMP, Children's Services offered three new training sessions for child welfare workers on how to protect themselves and their clients should they come into contact with a methamphetamine lab. A total of 48 child welfare workers received training in 2003-04.

Consistency and process were also improved through the department's new Contract Management Administration System (CMAS). CMAS is the ministry's new central repository of information for contracts and associated invoices and payments. Over 400 staff have been trained on the use of the system since its launch in December.

Making sure staff work safely and come home healthy and unhurt to their families is a priority at Children's Services, and is incorporated into our daily business. In March 2004, the ministry created an occupational health and safety steering committee. The steering committee works with staff to ensure we are not only meeting current health and safety standards but also exceeding them wherever possible.

Also in March, Children's Services hosted 'Promising Practices, Promising Futures', a conference for more than 200 Fetal Alcohol Spectrum Disorder (FASD) professionals and community stakeholders. Participants were provided with the opportunity to network with other delegates from the FASD prevention community, and learned from exceptional presenters about some new, successful and innovative approaches to service-provision.

I would like to take this opportunity to thank all department and regional staff. Children's Services successes in 2003-04 are proof of your tireless work and commitment to Alberta's children, youth, families and communities.

Paula Tyler
Deputy Minister

FETAL ALCOHOL SPECTRUM DISORDER (FASD): PREVENTION initiatives

EXPECTANT MOTHERS WHO DRINK alcohol are at risk of giving birth to babies with Fetal Alcohol Spectrum Disorder (FASD). The disorder is one of the top three causes of birth defects and developmental delays in Canadian children. It costs between $1 million and $5 million to support each child with FASD through his or her life. Prevention of FASD is a top priority for the Alberta Government and one of the most important initiatives at Alberta Children's Services.

FACE Research Roundtable

The lifetime costs of FASD, the cognitive effect of prenatal exposure to alcohol, physicians' knowledge about FASD, and the importance of prevention were the dominant themes at the 4th Annual Fetal Alcohol Canadian Experience (FACE) conference.

"Your Decision, Baby's Future"

ACS, in partnership with the Alberta Medical Association, the College of Physicians and Surgeons, and the Alberta Alcohol and Drug Abuse Commission developed the "Your Decision, Baby's Future" campaign. The province-wide campaign, which included television and print ads, brochures, posters and a public service announcement, challenged partners, friends and family members of expectant mothers to 'support her healthy choices'.

"Closing Doors"

On March 24, 2004 the musical "Closing Doors", made its debut. The musical, produced entirely by youth, seeks to educate younger audiences about the dangers of drinking while pregnant and the life-long effects of FASD.

FASD Website

The FASD website provides free resources and contact information for professionals and the public. Since the "Your Decision, Baby's Future" campaign was launched, on-line orders for resource materials nearly tripled and they've been sent as far away as Pakistan, Vietnam, Kazakhstan, and Finland!

The Alberta FASD Cross-Ministry Committee

(FASD-CMC)As one of its first tasks, this cross ministry committee performed an FASD Activity Inventory to identify service gaps and to lay foundations for a FASD Provincial Strategic Plan. The committee is comprised of representatives from Community Development, Health and Wellness, Solicitor General, Learning, Aboriginal Affairs and Northern Development, Human Resources and Employment, and Gaming, and is co-chaired by Children's Services and AADAC.

Alberta FASD Mini-conference

Children's Services organized Promising Practices, Promising Futures, a conference for more than 200 FASD professionals and community stakeholders. Participants networked with other delegates from the FASD prevention community, and learned from exceptional presenters about some innovative approaches to service-provision.

The Canada Northwest FASD Partnership (CNFASDP)

The ministry continued its successful alliance with its Northwest partners while participating in a Biennial Symposium, Biennial Conference, and Northwest Canadian Research Network Proposal.

The $4.75 million budget for the prevention and treatment of FASD in 2003-04 was among the most generous in Canada with:

- $2.4 million allocated to CFSAs to fund local prevention, intervention and support programs
- $1.6 million for 11 demonstration projects
- $750,000 for provincial initiatives including the cross-ministry, community conference and partnership undertakings

CHILD AND FAMILY SERVICES
highlights

CHILD AND FAMILY SERVICES Authorities (CFSAs) are an integral component of the ministry. They are our window to the community and provide strong leadership in developing and implementing strategic approaches in response to ongoing and emerging issues impacting the ability of children and youth to reach their potential. Through CFSAs, significant capacity has been developed for delivery of services touching on children and youth at the community or regional level. During the last year, CFSAs centred their attention on a number of fronts. (For more information about individual CFSAs, please refer to their particular 2003-04 annual reports which are released at the same time as this annual report of the ministry as a whole.)

Prevention and Preservation

Prevention is all about a healthy start in life and ensuring supports are in place so that children can learn, grow and succeed. Preservation involves ensuring a safe nurturing family environment is in place for our children.

- A "Fetal Alcohol Spectrum Disorder (FASD) Standards for Child Welfare" pilot project was developed and implemented in Southwest region. It is intended to ensure that Children's Services are good guardians to children in our care who are diagnosed or suspected of FASD and to provide outcome information, which contributes to the implementation of provincial standards of practice for this challenging population.

- A residential treatment program for young girls at risk of sexual exploitation provided a safe and therapeutic environment including addictions treatment, life skills development, sexual health awareness and education programs.
- In East Central Alberta, a continuing decline in caseloads is attributed to the Family Enhancement program's ability to connect families with appropriate community-based services.

Protection and Permanency Planning

Protection continues to be a core service and provides a safety net for vulnerable children in need of protection from abuse and neglect. Permanency planning recognizes that a loving, stable, nurturing and sustainable relationship is imperative to a child's development.

- In the Calgary and Area CFSA, 91 children from the region were placed for adoption in 2003-04 compared to 68 in 2002-03.

> A residential treatment program for young girls at risk of sexual exploitation provided a safe and therapeutic environment including addictions treatment, life skills development, sexual health awareness and education programs.

- Southeast Alberta region implemented the second phase of the Canadian Looking After Children Model (CANLAC), which continues to define good case management practices and assessment processes, focusing on "*strengths*" based assessments, parental involvement and the ability of families to meet the needs of their children

Partnerships

Partnerships are built to ensure a range of government, community and family responses are available to plan, deliver and assess services that promote positive outcomes for children, youth, and families. Key to the success of the partnerships is a collaborative approach to addressing issues.

- Three major Alberta Response Model (ARM) Demonstration Co-location projects were implemented in Edmonton and area. Regional Neighborhood Centres partnered with community agencies and organizations to provide integrated services in community agency worksites.
- Working and protocol agreements with local Metis Settlement Councils, Regional Health Authorities and the Metis Settlement General Council resulted in family centers being opened and the 1st Annual Metis Women's Conference being held in the Metis Settlements CFSA.

> Approved Elders are matched with Aboriginal children and their families to provide spiritual and cultural guidance as part of the service plan developed with the family.

Aboriginal Initiatives

Responding to the needs of aboriginal children and families continued to be a priority of the ministry.

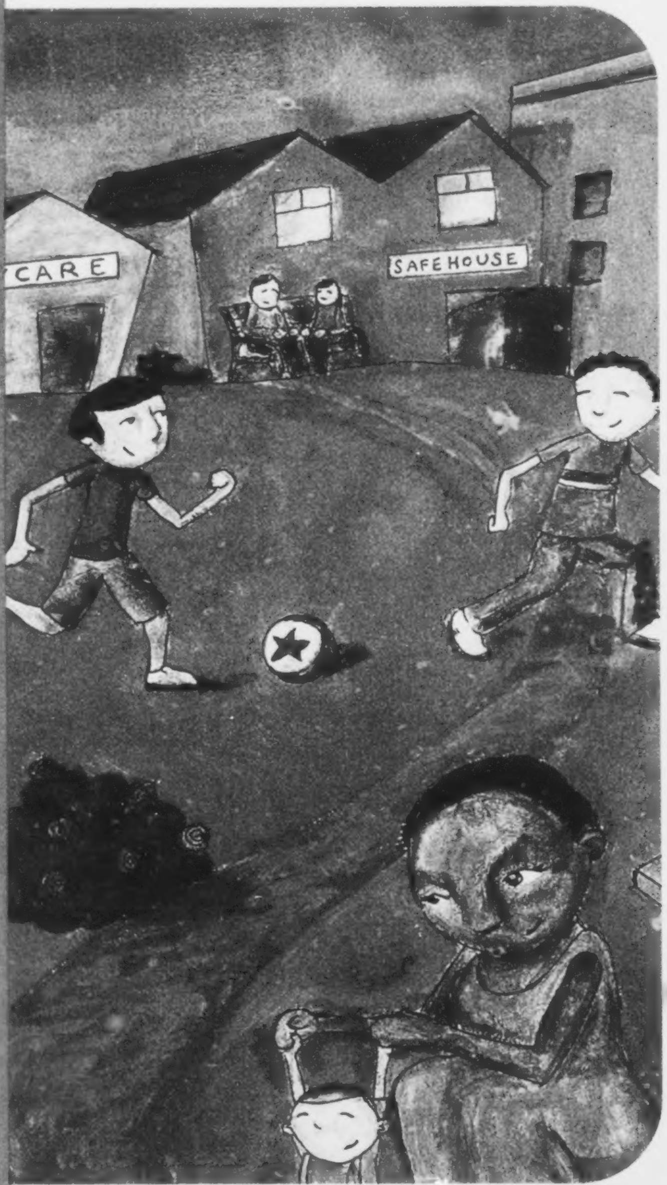
- In the Northeast CFSA, as a direct result of developing a process for working with First Nations to gain consent for adoptions of aboriginal children, 20 per cent of aboriginal children with permanent guardianship orders were successfully placed.
- An Elder's Program Pilot Project in Region 7 was initiated through the use of traditional protocols offering cultural programming and supports to aboriginal children, youth and their families with open Child Protection files. Approved Elders are matched with aboriginal children and their families to provide spiritual and cultural guidance as part of the service plan developed with the family.

Boundary Transition

2003-04 was a transition year with the reduction in the number of CFSAs from 18 to 10. Those changes provided an opportunity to increase emphasis on roles and relationships with stakeholders, further community involvement in planning and provision of services and revisit partnership arrangements.

- Transition dominated the Northwest CFSA work environment throughout the 2003-04 reporting period. The amalgamation of four regions required a number of significant shifts. A new board assumed governance responsibilities and aggressively pursued restructuring. The changes that were implemented met the expectation that the autonomy and needs of the former regions would be preserved, and the changes would not result in loss of services, and the region, as a whole would be strengthened.
- An Early Childhood Development (ECD) Initiative Regional Committee was formed in the North Central Alberta CFSA to represent the four previous regions in developing an integrated regional plan for ECD.

CROSS MINISTRY initiatives



CROSS-MINISTRY INITIATIVES ARE AN essential part of the Government of Alberta's corporate-wide agenda and three-year business plan. They help the Government of Alberta work toward an integrated set of corporate-wide policy results that stretch beyond the mandate of each individual ministry.

Through the cross-ministry initiatives, ministries work together toward common policy objectives to ensure that their programs and services are aligned with the government-wide agenda and are effective in meeting the priority needs of Albertans without overlap, duplication or contradictory policies.

Cross-ministry initiatives involve coordination across ministry business plans and alignment with the Government of Alberta's three-year business plan. The 2002-03 priority policy initiatives as prioritized by the Government of Alberta were:

- the Alberta Children and Youth Initiative;
- the Aboriginal Policy Initiative;
- the Health Sustainability Initiative; and,
- the Economic Development Strategy.

For each initiative, there is a purpose and a set of objectives and targets, which are reviewed, measured and included in the annual report for the Government of Alberta. The following information reports on Children's Services role in these initiatives.

Alberta Children and Youth Initiative

Bringing together ministries with mandates to support children and youth, the Alberta Children and Youth Initiative (ACYI) is building strong and collaborative partnerships that support government's goal of ensuring that "*Alberta's children and youth are supported in reaching their potential*". The ACYI has three champion ministries - Children's Services, Learning, and Health and Wellness (including the Alberta Mental Health Board and the Alberta Alcohol and Drug Abuse Commission (AADAC)) and is supported by a number of partnering ministries including Aboriginal Affairs and Northern Development, Community Development, Human Resources and Employment, Justice and Attorney General, and Solicitor General. Significant progress has been made in developing cross-government partnerships that will ultimately achieve better outcomes for children, youth and their families.

As lead ministry for the ACYI, Children's Services was responsible for ensuring the following four priority areas and their targets were addressed this year:

Supports and Services for Children and Youth with Special and Complex Needs

< Results:

The *Policy Framework for Services for Children and Youth with Special and Complex Needs and their Families* was implemented. The Policy Framework is a first step in enhancing cross-ministry coordination of services and includes policy areas critical in managing the needs of children and youth with special and complex needs. Nearly 400 staff from child and family services authorities and other regional authorities participated in province-wide cross-sector orientation sessions to facilitate implementation of the Policy Framework, including the integrated case management model for children and youth with complex needs. Session participants indicated unanimous support for the benefits of the integrated case management model and the role of regional integrated case management teams in enhancing coordination of services for children and youth with complex needs.

> Significant progress has been made in developing cross-government partnerships that will ultimately achieve better outcomes for children, youth and their families.

Supports for Youth Transitioning to Adulthood

< Results:

Children's Services continued to support the ongoing implementation of the Youth in Transition Framework. In 2003-04, three key policy changes were implemented to better support youth as they transition to adulthood. The *Advancing Futures Youth Bursary Program* was implemented for children in care or formerly in care of child welfare. This bursary program provides assistance

> Mentoring options for high risk youth were increased, including development of new mentoring models to support aboriginal youth and to provide mentoring opportunities for youth in group settings.

with living expenses, tuition, mandatory school fees and books, and school-related expenses for youth to upgrade, earn a degree/diploma, a trade certificate or license. As of March 31, 2004, the bursary has been awarded to 69 youth. The ministry also partnered with youth and youth-serving ministries in the development of a transition planning tool to assist front-line staff in developing transition plans for youth.

In order to ensure all youth involved in the child welfare system have a transition plan for independence under the new *Child, Youth and Family Enhancement Act*, Children's Services developed a policy requiring that a transition plan be developed with the assistance and collaboration of various ministries, support agencies and/or individuals.

In addition to the above, Children's Services led key mentoring initiatives to provide youth with the support they need to make a successful transition to adulthood. Mentoring options for high risk youth were increased, including development of new mentoring models to support aboriginal youth and to provide mentoring opportunities for youth in group settings. Four aboriginal mentoring program pilots were implemented in south, central and northern locations in the province.

Promote Early Childhood Development Initiatives to Ensure Children Have a Healthy Start in Life

< Results:

To ensure children get the best start in life, partnering ministries and regional authorities under Alberta's Early Childhood Development Strategy are continuing to enhance existing early childhood development programs while also implementing new initiatives. Alberta Children's Services has taken action in a number of ways. Parenting supports implemented and enhanced include:

- Home visitation programs that provide information and mentoring to help parents increase their competence and confidence in caring for their children.
- Parent/child literacy programs to encourage parental involvement in their children's learning, to strengthen the literacy skills of parents and caregivers, and to foster early oral language development.
- Parent-child resource centres that provide a range of parenting activities through a drop in environment that also provides learning experiences for children.
- Alberta Child Care Initiative implemented to strengthen quality child care and best practices, to better meet children's developmental needs, and to support parents in locating quality care so they can participate fully in the workforce.

The Region 10 Metis Settlements Child and Family Services Authority piloted an Early Development Index to identify developmental needs of children within a community. Along with other ministry partners, Children's Services has been an active player in the implementation of parenting supports including Home visitation programs and parent-child resource centers.

ECD initiatives for aboriginal children were increased, including home visitation programs that address social isolation and parenting and life management skills and literacy-based programs that promote family literacy through culture and traditional values and beliefs.

Support Regions in Integrating and Enhancing Service Delivery for Children and Youth

< **Results:**

- Provincial supports have been established, including mechanisms to address policy and mandate issues, to assist regions in planning services and supports for families with children and youth with complex needs.
- Information sharing guidelines and tools have been developed for regional delivery staff and cross-sector training has been delivered on the guidelines.
- Support provided for a pilot region to identify regional integration issues, a proposed framework for regional cross-sector planning, and ways to maintain regional links with provincial initiatives.

Aboriginal Policy Initiative

The Aboriginal Policy Initiative (API) is a mechanism for cross-ministry co-ordination to address the commitments in the Government of Alberta's Aboriginal Policy Framework (APF). The APF has two long-term goals:

1) individual and community well-being and self-reliance
2) clearer federal, provincial and Aboriginal roles and responsibilities.

Aboriginal Affairs and Northern Development champions this initiative with Children's Services and Justice as co-champions. The result of this government-wide focus has been improved provincial programming that meets the unique needs of aboriginal communities.

In 2003-04, Children's Services participated on a cross-ministry steering committee to develop an Aboriginal Policy Checklist for reviewing existing/future policies to ensure they address needs, legal requirements and aboriginal agreements.

The ministry worked with other Alberta ministries, the federal government and First Nation communities to define accountabilities and reporting requirements including:

- re-negotiation of three tripartite Child Welfare Agreements
- introducing a task force on control and accountability for First Nation recoveries and processes
- reviewing the 'Arrangement for the Funding and Administration of the Social Services Agreement' (Administrative Reform Agreement) between Alberta and Canada.

- being invited to the Treaty 8 Bilateral process with Canada and Treaty 8 First Nations.

Further, the ministry, along with the Federal Ministry of Indian and Northern Affairs Canada and the Blood Tribe was signatory to the Blood Tribe Governance and Child Welfare Agreement-in-Principle in October 2003.

Health Sustainability Initiative

Alberta Children's Services is an active partner in the Health Sustainability Initiative and is implementing new initiatives consistent with the Health Sustainability Initiative framework. For example in 2003-04, both the Alberta Children's Services Ministry Business Plan, and Child and Family Services Authority business plans continued to focus on the importance of promoting early childhood development and young family wellness. In addition, the ministry partnered with Alberta Learning and Alberta Health and Wellness to prepare the Early Childhood Development Initiatives report and share it with Albertans and colleagues across the country. To keep Albertans up-to-date on our progress in this area, indicators comparing Alberta's progress in early childhood development to the national average were incorporated into the Alberta Government business plan.

In keeping with the findings of the Income Review a Kin Child Care pilot program was launched in Region 4, Central Alberta CFSA and in partnership with the Health Sustainability Initiative Low Income Working Group. In support of provincial and regional Fetal Alcohol Spectrum Disorder (FASD) initiatives, work is ongoing with ministry partners to establish the Alberta Partnership on FASD. The partnership will coordinate efforts to:

- reduce the number of infants exposed to alcohol during pregnancy
- provide supports to improve outcomes for children and youth affected by FASD as well as their families

Economic Development Strategy

The Economic Development Strategy creates a future of opportunity through ministry partnerships with business, industry, communities, other government and public institutions, employees and other stakeholders. In 2003-04, Children's Services supported this initiative in several ways:

- The new "Advancing Futures" youth bursary program (see under **Supports for Youth Transitioning to Adulthood** in **Cross Ministry Initiatives** for more information).
- Children's Services participation in the Economic Development Strategy resulted in child and youth programs being included in the Rural Development Initiative Strategies.
- A one-year strategic plan for Alberta's Promise was developed - to increase resources from the private sector - for supporting the optimum development of children and youth. In addition, the ministry began development of a data collection tool in 2003-04 to support tracking and reporting requirements of Alberta's Promise.

report OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO PERFORMANCE INFORMATION

To the Members of the Legislative Assembly:

In connection with the Ministry of Children's Services performance information included in the 2003-2004 Annual Report of the Ministry of Children's Services, I have:

Performance Measures

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

Supplemental Measures

6. Agreed the information to source reports. In addition, I checked that the supporting narrative is consistent with the information.

As a result of applying the above procedures, I found the following exception:

There was no data available for one performance measure, *Percentage of children receiving child protection services who moved two or more times outside their communities in a year.* Therefore, I was not able to complete procedures 2 to 5 above for this measure.

Procedures 1 to 5, however, do not constitute an audit and therefore I express no opinion on the performance information included in the *2003-2004 Annual Report of the Ministry of Children's Services.*

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
August 17, 2004

DISCUSSION AND ANALYSIS OF *results*

THIS SECTION OUTLINES THE CORE business, goals, strategies and the desired outcomes of the ministry over the past year, along with a measurement of the ministry's performance for the previous year.

In the 2003-06 ministry business plan, the following measures were targeted for implementation and reporting in 2004-05 and therefore, are not reported in the Result Analysis section of this annual report.

Under Core Business One/Goal 1.1

- Percentage of families accessing ministry programs who indicate positive impacts for their children

Under Core Business Two/Goal 2.2

- Average number of days from admission into care to permanent placement

Under Core Business Three/Goal 3.1

- Percentage of aboriginal children in care placed in aboriginal homes

Under Core Business Three/Goal 3.2

- Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families

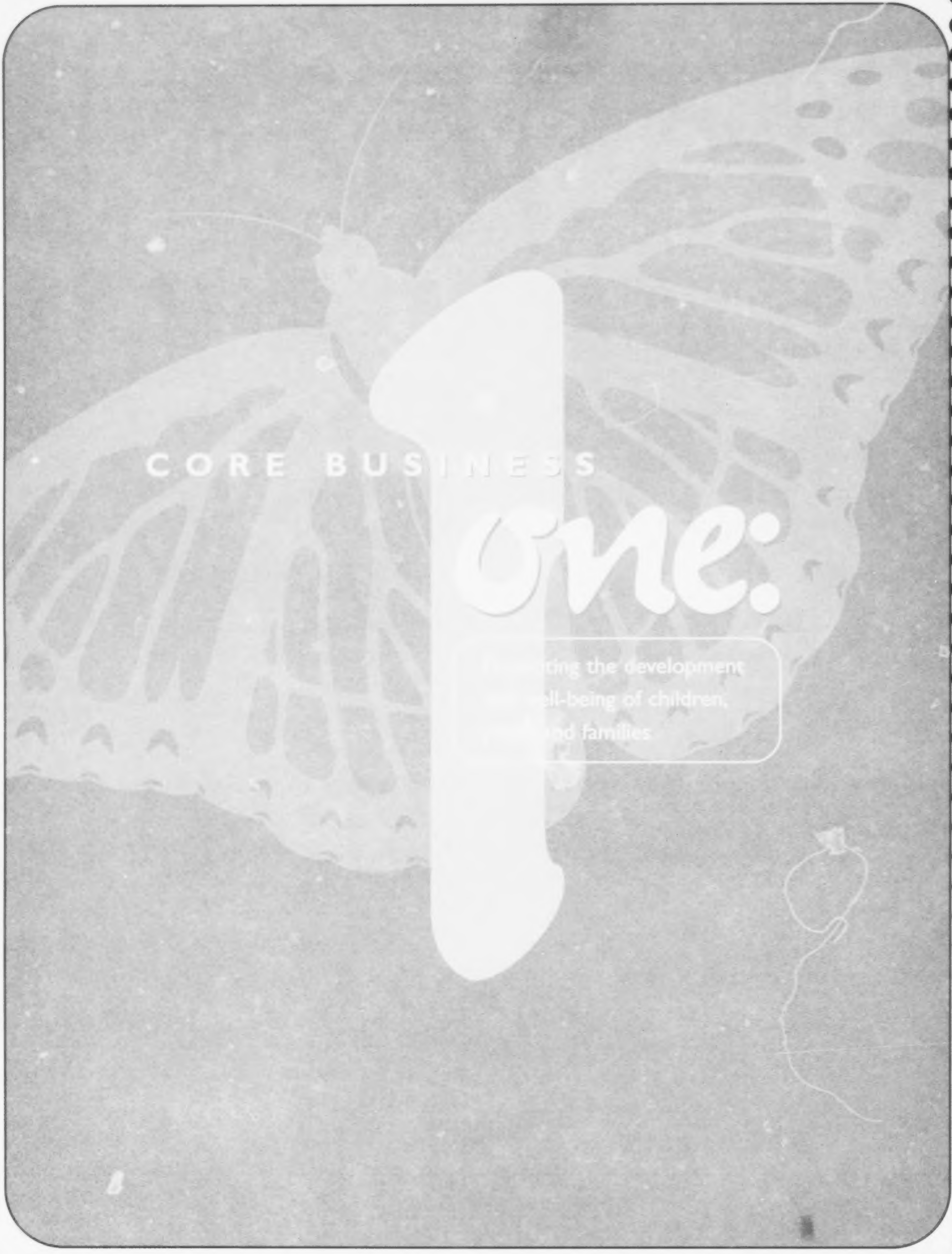
In the 2003-06 ministry business plan, the following measures were also targeted for reporting in 2004-05 but for reasons stated below, have not been carried forward to the the ministry 2004-07 business plan for 2004-05 reporting:

Under Core Business Two/Goal 2.2:

- Percentage of children in care per 1,000 child population
  Reason: not carried forward to the ministry 2004-07 business plan as it has been moved to the Government of Alberta 2004-07 business plan for reporting in Measuring Up 2004-05
- Average number of placements a child has while case is open
  Reason: not carried forward to the ministry 2004-07 business plan as it has been moved to being monitored and reported on as a measure of Child Welfare program operations

Under Core Business Three/Goal 3.1:

- Percentage of aboriginal community partners reporting an increase in the community's ability to meet the needs of aboriginal children, youth and families
  Reason: not carried forward to the ministry 2004-07 business plan due to methodology difficulties in achieving over-year comparisons of results



CORE BUSINESS

1 one:

iting the development
ell-being of children,
nd families

GOAL 1.1

Children and youth will have a healthy start in life and the supports they need to reach their potential

Strengthen services for parents and young children

< 1.1.1 Build early childhood development services across the province to help parents, families and other caregivers obtain the information and support to provide children with the best possible start in life to reach their potential.

< 1.1.2 Improve child care standards, and quality child care options that strengthen the ability of families in all communities to care for their children, support children in meeting developmental milestones, and balance home and work.

Support children and youth's healthy development

< 1.1.3 Develop legislation and policies to refocus Resources for Children with Disabilities on abilities rather than disabilities, early intervention and family supports, and better co- ordinate services among partners so that families obtain consistent, sustainable supports for their children, including those with complex special needs.

< 1.1.4 Implement the "youth in transition" framework to improve and better connect programs and services at all levels to better address the needs of youth and help them make a successful, self-reliant passage to adulthood.

< 1.1.5 Continue to implement the fetal alcohol spectrum disorder strategy to prevent the disorder, support high-risk mothers, and strengthen approaches for assessing and addressing the needs of children and youth affected, and their families.

< 1.1.6 Support the community implementation of the Alberta Centre for Child, Family and Community Research to advance research and develop strategies to help Albertans promote strong children, families and communities.

Strengthen services for parents and young children

Developing in the critical first years

Under the cross-ministry Alberta Children and Youth Initiative (ACYI), Children's Services works closely with the ministries of Health and Wellness and Learning to meet and report on early children education ECD performance targets. During the year, the ministry explored ways to bring parent resource centers to communities across Alberta, completed an inventory of ECD investments and, in partnership with ACYI partners, researched screening tools for children at 18 months and three years. (See more information about ECD under Alberta Children and Youth Initiatives in Cross Ministry Initiatives, page 29). In a unique partnership with business, government, private foundations and community organizations, Children's Services expanded the national Roots of Empathy program, which is designed to foster empathy, nurturing and parenting skills in Grade 1 children.

Improving child care and access to it

In 2003-04 Children's Services developed child care accreditation standards, and 95 per cent of Alberta day cares and 98 per cent of family day homes received pre-accreditation funding to facilitate staff training, program enhancements and staff support. The ministry also partnered with educational institutions and early childhood professionals to deliver an orientation course for child care staff to over 1,500 participants in urban, rural and First Nations communities. Access to child care also improved during 2003-04 with the Kin Child Care Funding program and the Child Care Subsidy E-Business Initiative. The Child Care Subsidy E-Business Initiative provides low income families with easier access to the child care subsidy program. Thanks to the E-Business Initiative, approximately 30 per cent of families applying for child care subsidy have submitted their application online. As a result of Kin Child Care Funding program, eligible low-income families now have the ability to pay non-custodial relatives for child care.

> *The Family Support for Children with Disabilities Act* (FSCD) received royal assent in May 2003. It sets the stage for a spectrum of proactive, family-centered support and services for children with disabilities as well as their families.

Support children and youth's healthy development

Supporting children with disabilities

Children with disabilities face greater challenges than others in getting all the support they need for healthy development. In 2003-04, Children's Services showed their support in policy and legislation, refocusing important resources on ability (rather than disability) through early intervention, and better family supports.

The *Family Support for Children with Disabilities Act* (FSCD) received royal assent in May 2003. It sets the stage for a spectrum of proactive, family-centered support and services for children with disabilities as well as their families. Draft regulations and policies were developed to support the act in consultation with parents and stakeholders. The ministry worked with Child and Family Services Authorities (CFSAs) and Regional Health Authorities on a multi-disciplinary assessment for children with disabilities, (initially of children with autism) to identify supports for a child's individual needs. Children's Services also led a cross-ministry committee to address recommendations in the report "A System of Care for Children with Autism". Also, a new information system, RCDIS (Resources for Children with Disability Information System), a 1-800 child disability information line and a database of disability information to support the line were developed in 2003-04.

Making progress on Fetal Alcohol Spectrum Disorder (FASD)

The FASD Strategy addresses the disorder from several angles: prevention, support for high-risk mothers, assessment and treatment. In 2003-04, the Alberta Center for Child and Family Research identified FASD as its first research priority and Children's Services provided $4.7 million for FASD programming and special projects. These programs included the First Steps programs in Lethbridge and Edmonton, a partnership project with the Metis Nation of Alberta that resulted in the powerful "Faith Like a Child" video, the FASD Practice Standards project and the Awakenings project developed and implemented by the Siksika First Nation. To boost awareness of FASD in 2003-04, the Your Decision, Baby's Future campaign was implemented by Children Services, the Alberta Alcohol and Drug Abuse Commission (AADAC), the Alberta Medical Association (AMA) and the College of Physicians and Surgeons (CPS). The ministry also developed an Children's Services database of FASD programs that is being used to analyze and communicate FASD investments. Children's Services maintained its involvement with the North West FASD partnership, organized two conferences on FASD research and practice, and helped redesign the Alberta cross-ministry partnership on FASD.

In 2003-04, the Alberta Center for Child and Family Research identified FASD as its first research priority and Children's Services provided $4.7 million for FASD programming and special projects.

Learning more about children, family and community

This year the ministry was a key contributor to:

- the Alberta Science and Research Authority Annual Review
- Statistics Canada Annual Review of Government Research Activity
- Canada's Report on the UN Convention on the Rights of the Child

> In 2003-04, the ministry led the development of Alberta's contribution to Canada's report on the UN Convention on the Rights of the Child. Working at the national level, the ministry pioneered and championed initiatives to support the healthy development of children and youth.

In partnership with the Alberta Centre for Child, Family and Community Research, the ministry helped bring together the Canadian Northwest Fetal Alcohol Spectrum Disorder (FASD) Research Network to promote cross-ministry partnership in FASD research in Western Canada. Children's Services also provided input to the ECD Knowledge, Information and Best Practice Committee on Child Well-Being. In addition, community research projects continued through the Kin Care Research/Evaluation project and the Community Mapping and Early Development Instrument projects of Metis Settlements and Edmonton CFSAs. The ministry also supported the Edmonton Families First Research Project, to measure preventive services for low-income families.

Leading the way

In 2003-04, the ministry led the development of Alberta's contribution to Canada's report on the UN Convention on the Rights of the Child. Working at the national level, the ministry pioneered and championed initiatives to support the healthy development of children and youth. As a result, Children's Services was recognized for participation in initiatives such as the National Outcomes Measures Child Welfare Matrix project, the Prairie Child Welfare Consortium on child welfare social work education, the National Sexual Exploitation of Children Initiative and the Federal/Provincial/Territorial meeting on FASD. The ministry also took the lead in Alberta with its own initiatives such as the new Alberta Child Care Accreditation program, which is recognized as a national standard for excellence in childcare programming.

OUTCOMES AND PERFORMANCE measures

Outcomes:

Children and youth are physically, emotionally, socially, intellectually, and spiritually healthy

Children and youth meet individual developmental milestones

Performance Measure:

Percentage of child-care centres that provide a developmentally appropriate environment for children

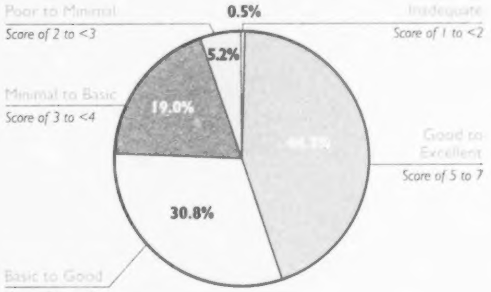
This measure assesses the extent to which child-care centres are providing a developmentally appropriate environment for pre-school children. Since the delivery of effective child care services is a partnership, the implementation of this performance measure was built on a joint learning approach involving child care centres, regional child care specialists, and ministry staff. Assessments were completed to gather information to identify and support quality improvements that would foster optimal development of young children.

To assess the extent to which child care centres provide a developmentally appropriate environment for children, two internationally recognized program assessment tools, ECERS-R (Early Childhood Environment Rating Scale - revised) and/or the ITERS-R/ITERS (Infant and Toddler Environment Rating Scale - Revised), were used. These tools assess individual playrooms of a child-care centre; the ECERS-R is used in playrooms serving children two and a half through five years of age (in some cases, these playrooms also include six-year-olds) and ITERS-R/ITERS in playrooms for children from birth to two and a half years. Both tools rate spatial, programmatic and interpersonal features that directly affect children in early childhood programs. Child Care Specialists receive extensive training on the correct use of the assessment tools and have developed inter-rater reliability.

The result for this measure is based on the number of centres scoring an average of at least five out of seven on the assessment tool. A score of five to seven is considered good to excellent with respect to providing a developmentally appropriate program for children. In 2003-04, the percentage of child-care centres that achieved a score of five or more is 44.5 per cent. An additional 30.8 per cent of child-care centres achieved a basic to good rating, having scored between four to less than five. The result is based on data collected from a random sample of 211 out of 468 licensed day-care centres in the province and a random sample of rooms within those day cares assessed between April 1, 2003 and March 31, 2004. The margin of error for this sample size is +/- 5 per cent at the 95 per cent confidence interval. A score in one room is considered representative of the quality of the program throughout the centre. Child-care centres refer to licensed day-care centres and do not include family day homes.

The target for this measure is a five per cent increase over the 2002-03 results; however, the measure was not fully implemented in 2003-04. The result reported provides baseline data for comparison in future years.

Percentage of Child Care Centres in each Score Range



Data Source:
Service Quality Division
Alberta Children's Services

The above chart provides a breakdown of the percentage of child-care centres whose overall score fell within each score range.

Performance Measure:

Percentage of Alberta children demonstrating healthy social and emotional development

The early years of development (age zero to five) are important to the future well-being of children and youth. Early experiences can exert a powerful influence on later well-being, building coping abilities and competencies and helping make children physically strong and emotionally healthy.[1]

Data for this measure is from the National Longitudinal Survey of Children and Youth (NLSCY)[2], a survey of Canadians from birth to adulthood that captures child development data on the characteristics and experiences of children as they grow up. The most recent data available from this survey was collected in 2000-01. The data used for reporting on this performance measure are drawn specifically from the emotional and social domains of development. In assessing children in both of these domains, the Person Most Knowledgeable (PMK)[3] about the child was queried, using a structured questionnaire, about the presence or absence of attributes/behaviours.

For the emotional domain, the survey seeks to find out whether the child (between two and five years of age) appears unhappy, depressed or nervous as to indicate the presence of emotional problems/anxiety. The PMK is presented with questions on emotional variables related to the child with response choices – for instance, "____ seems to be unhappy, sad or depressed (never/sometimes/often)". Reported in the NLSCY, results from the emotional domain survey convey both the proportion of children showing problematic attributes and the proportion absent of these attributes (i.e., children two to five years old not displaying attributes associated with emotional problems/anxiety).

---

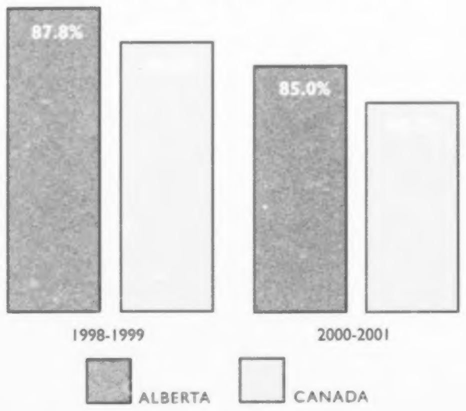
[1] Government of Canada, The Well-Being of Canada's Young Children, 2003, p. 3.

[2] For methodology, see Appendix 2: Performance Measures – Data Sources and Methodology

[3] In the NLSCY, a question was asked about whom in the household is the person most knowledgeable (PMK) about the child participating in the survey. The intention is that the PMK, in most cases the mother, would provide information for all selected children in the household, as well as the socio-demographic information about herself and her spouse. Only one PMK is selected per household.

Percentage of Children, 2–5 Years Old Not Displaying Attributes Associated with Emotional Problems/Anxiety

Target:
Maintain or improve level in relation to national average



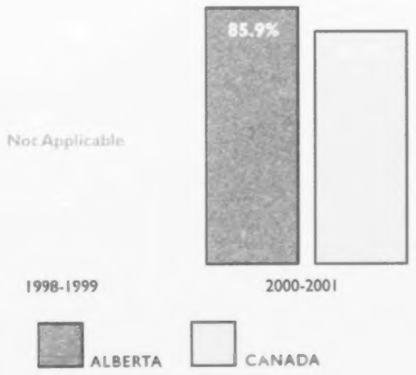
Data Source:
National Longitudinal Survey of Children and Youth, Master File (Statistics Canada), Cycle 3 (1998/99) and Cycle 4 (2000-01), Parent Questionnaire

In 1998-99, 87.8 per cent of Alberta children aged two to five did not display attributes associated with emotional problems/anxiety. The comparable national result was 86.2 per cent. In 2000-01, the Alberta result was 85.0 per cent while the national result was 82.2 per cent. The target for this measure is to maintain or improve Alberta's level relative to the national average. The target was met. Alberta's 2000-01 result was 2.8 percentage points higher than the national result. This compares to its 1998-99 result that was 1.6 percentage points above the national result.

In the case of the social domain, the Ages and Stages Questionnaire (ASQ), developed by the University of Oregon, is used to collect data. The questionnaire is designed to identify infants and young children who show potential developmental problems. Questions asked pertain to the tendency of the child (between zero and three years of age) to exhibit age-appropriate personal-social behaviours. The questionnaire was used for the first time in gathering 2000-01 data and therefore, no historical data is available for comparison.

Percentage of Children, 0–3 Years Old Exhibiting Age Appropriate Personal-Social Behaviours

Target:
Maintain or improve level in relation to national average



Data Source:
National Longitudinal Survey of Children and Youth, Master File (Statistics Canada), Cycle 4 (2000-01), Parent Questionnaire

In 2000-01, 85.9 per cent of Alberta children aged zero to three exhibited age appropriate personal-social behaviours. The comparable national result was 84.0 per cent. The target for this measure is to maintain or improve Alberta's level relative to the national average. The target was met. Results show that Alberta has a higher percentage of children, zero to three years, exhibiting age appropriate personal social behaviours than nationally – a difference of 1.9 percentage points.

The National Longitudinal Study of Children and Youth is conducted every two years. This measure is not included in the 2004-07 Children's Services Ministry Business Plan but is contained in the 2004-07 Government of Alberta Business Plan.

Performance Measure:

Percentage of Alberta families using positive parenting skills compared to national average

The early years of development (age zero to five) are important to the future well-being of children and youth. Early experiences can exert a powerful influence on later well-being, building coping abilities and competencies, and helping make children physically strong and emotionally healthy[4]. For the purposes of reporting on this measure, the ministry measured the percentage of Alberta children, aged zero to five, whose parents are interacting positively with them, compared to the national average.

Data for this measure is from the National Longitudinal Survey of Children and Youth (NLSCY)[5], a survey of Canadians from birth to adulthood that captures child development data on the characteristics and experiences of children as they grow up. Positive interaction is a parenting characteristic that is captured in this survey. Questions are included in a parent questionnaire used in the NLSCY survey that asks about parent interaction with the child, such as praising a child and playing games with a child. The Person Most Knowledgeable (PMK)[6] about the child, usually the mother, answers these questions. The result reported is based on data for children, aged zero to five years. The most recent data available from this survey was collected in 2000-01.

In 1998-99, 89.3 per cent of Alberta children, aged zero to five years, were receiving positive interaction from their parents. The comparable national result was 88.0 per cent. Two years later, in 2000-01, Alberta's result was 88.4 per cent while the national result was 83.9 per cent. The target for this measure is to maintain or improve Alberta's level relative to the national average. The target was met. Alberta's 2000-01 result was 4.5 percentage points higher than the national result. This compares to 1998-99 where

---

[4] Government of Canada. The Well-Being of Canada's Young Children, 2003, p. 3.

[5] For methodology, see Appendix 2: Performance Measures – Data Sources and Methodology

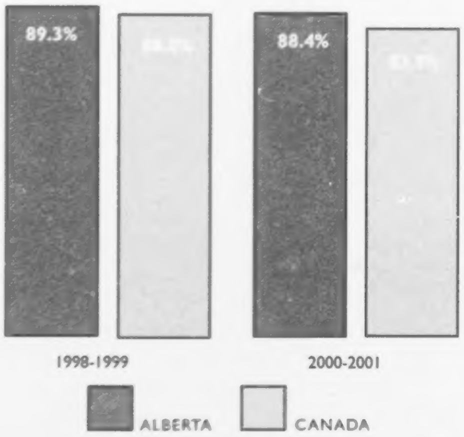
[6] In the NLSCY, a question was asked about whom in the household is the person most knowledgeable (PMK) about the child participating in the survey. The intention is that the PMK, in most cases the mother, would provide information for all selected children in the household, as well as the socio-demographic information about herself and her spouse. Only one PMK is selected per household.

Alberta's result was 1.3 percentage points higher than the national result.

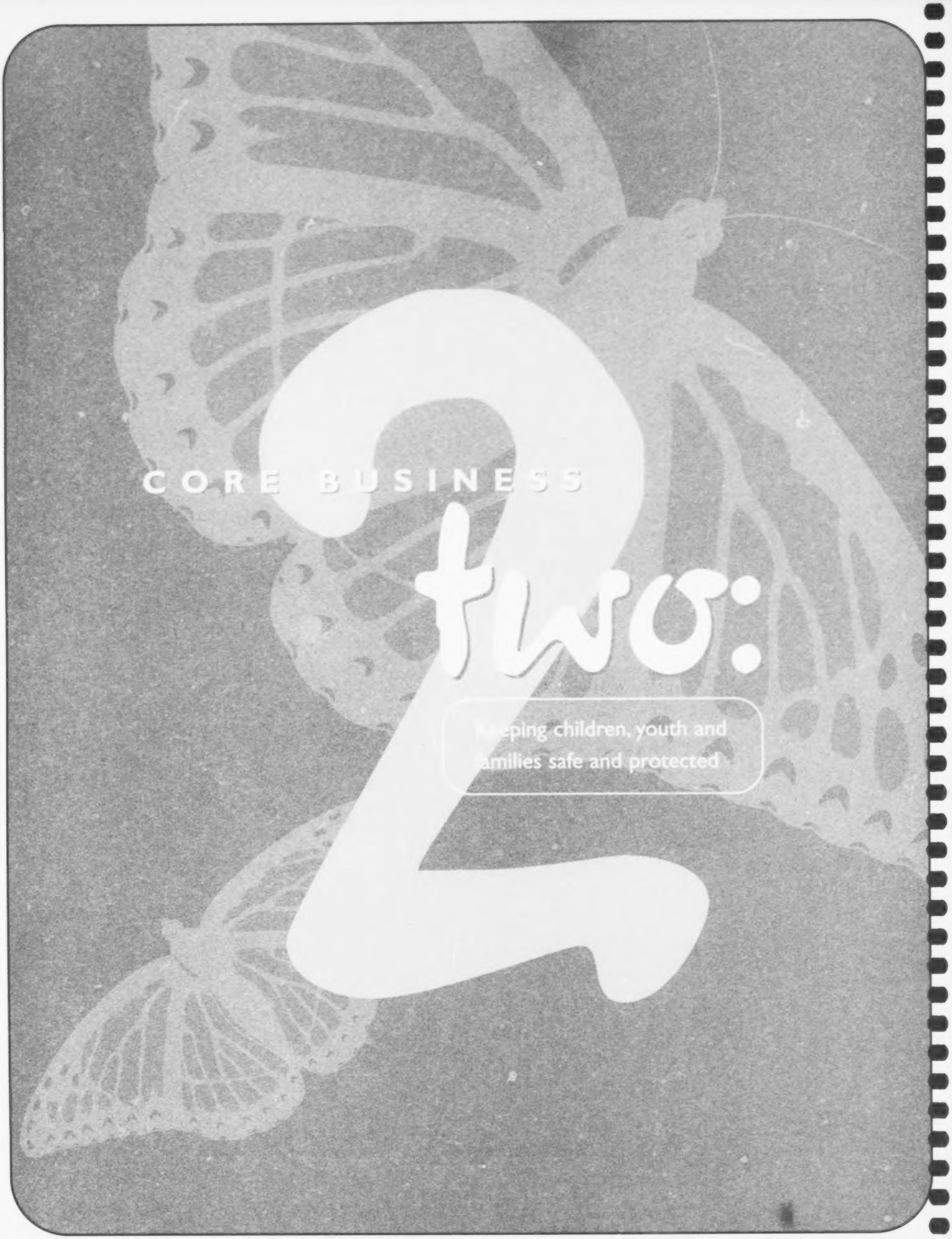
The National Longitudinal Study of Children and Youth is conducted every two years. This measure is not included in the 2004-07 Children's Services ministry business plan but is contained in the 2004-07 Government of Alberta Business Plan.

Percentage of Children, 0–5 Years Old, Whose Parents Are Interacting Positively With Them

Target:
Maintain or improve level in relation to national average



Data Source:
National Longitudinal Survey of Children and Youth,
Master File (Statistics Canada), Cycle 3 (1998/99)
and Cycle 4 (2000-01), Parent Questionnaire



CORE BUSINESS

2

two:

Keeping children, youth and families safe and protected

GOAL 2.1

Families will be safe, healthy, and able to promote children's development

Develop community-based early intervention to support families

> 2.1.1 Continue implementing the Alberta Response Model to engage, improve, and connect community-based early intervention strategies so that families can obtain a continuum of supports to overcome at-risk circumstances and care for their own children.

> 2.1.2 Develop a range of early intervention strategies that will support families, including those who access services under the Alberta Response Model, in the early screening and identification of risks, the development of positive parenting skills, and follow-up supports.

Implement strategies to keep children and families safe

> 2.1.3 Continue to increase stakeholder awareness about the *Protection Against Family Violence Act* and family violence prevention strategies, increase treatment programs for children and other family members who witness or are victims of family violence, and improve quality services in women's shelters.

> 2.1.4 Continue to work with Alberta Justice in the reform of family law to promote family-centered services, restorative justice, better programs for young offenders, community conferencing and registries of offenders who may present a risk to children.

Develop community-based early intervention to support families

Full spectrum service for at-risk families

Children's Services plays a lead role in engaging, improving and connecting community-based early intervention strategies so that families can obtain a continuum of services. The Alberta Response Model (ARM) assists families in overcoming at-risk circumstances and caring for their children. A Provincial Director of Child Welfare was established In 2003-04, to ensure that timely, effective and equitable services are available to all Alberta families. Children's Services also made an additional $2 million available to Family and Community Support Services (FCSS) partners, to aid in the delivery of ARM activities. The ministry launched a new accreditation system for contracted Child Welfare services, as well as a revised Special Case Review process and a comprehensive Complex Case Review process for children and families facing multiple barriers to positive development.

> In 2003-04, Children's Services worked closely with the Ministry of Justice to reform family law, promoted the *Protection Against Family Violence Act* and improved the quality of services in women's shelters.

Implement strategies to keep children and families safe

Preventing family violence

Awareness and prevention of family violence is a priority for Children's Services. In 2003-04, Children's Services worked closely with the Ministry of Justice to reform family law, promoted the *Protection Against Family Violence Act* and improved the quality of services in women's shelters. Family violence training was delivered to child welfare and shelter staff during 2003-04. The Alberta Council of Women's Shelters (ACWS) received a grant from the ministry to deliver the *Children Exposed to Violence*, cross-sector training to 240 participants from across Alberta. Children's Services and ACWS also worked closely with law enforcement to provide family violence instruction to over 2500 RCMP members across the province. The ministry partnered with ACWS to coordinate Family Violence Prevention Month activities. The Intergovernmental Committee on Family Violence reviewed cross-ministry initiatives on family violence for the Alberta Roundtable on Family Violence and Bullying. Children's Services also partnered with municipalities on an elder abuse awareness campaign and assisted in the creation of the new Alberta Elder Abuse Awareness Network.

OUTCOMES AND PERFORMANCE *measures*

Outcomes

Children, youth and families overcome at-risk circumstances.

Children, youth and families are safe, healthy, resilient and self-reliant.

Performance Measure:

Percentage of children and youth reported to be at-risk who received supports through community resources, and afterwards did not require child protection services.

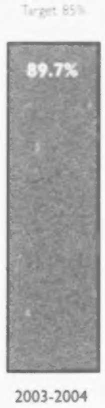
This measure speaks to the differential response component of the Alberta Response Model. It is believed that by becoming engaged with families in a less intrusive strength-based manner and connecting them to life-long community supports, families will receive the help they require to prevent more intrusive interventions from being necessary in the future.

Differential response allows for a voluntary family in a lower-risk situation to move directly into an assessment and service phase of involvement, without the need for child protection services. As ARM's differential response component, the Family Enhancement program enables families to begin addressing the needs of the child quickly, with the caseworker as their support for finding the necessary solutions that lead to successful child-centered outcomes.

This measure reflects whether Family Enhancement services are adequately meeting the families' identified protection concerns. These concerns may have been identified at the time a report was made to Children's Services, or at any point during the assessment or delivery of family enhancement services.

For this measure, all of the children that were referred to Family Enhancement were tracked from April 1, 2003 to March 31, 2004 inclusive; further tracking was

Children and Youth reported to be at risk who received support through community resources and afterwards did not require child protection services



Data Source:
Child Welfare Information System
Alberta Children's Services

> Differential response allows for a voluntary family in a lower-risk situation to move directly into an assessment and service phase of involvement, without the need for child protection services.

performed to determine how many of these children ended up anytime during the same period an open child protection file. A file of this category indicates the child was deemed to require more intrusive service.

For 2003-04, 10.3 per cent of children who received family enhancement services subsequently required more intrusive protection services in the 2003-04 reporting period. This means the result of the measure is 89.7 per cent, exceeding the ministry target of 85 per cent

Family Enhancement services are a provincial initiative under the Alberta Response Model (ARM). Alberta's new *Child, Youth and Family Enhancement Act*, scheduled for proclamation in November of 2004, will further support differential response through changes to the legislation that clearly outline two streams of services available to children in need of intervention: the Family Enhancement program and child protection services.

Performance Measure:

Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse.

In its commitment to making a difference for families at risk to overcome their circumstances and be safe, healthy and self-reliant, the ministry addresses family violence through the funding of women's emergency shelters. These facilities provide a temporary safe place for victims of family violence and services that can help victims in the future.

This measure provides an indication of the extent to which shelter services have reduced the vulnerability of the women and/or their children who were shelter residents to future risks of abuse. The measure is based on an exit survey[7] of women who by themselves or with dependents, had stayed at women's emergency shelters funded by Alberta Children's Services. The 2003-04 performance measure result is calculated on the basis of the exit survey conducted between April 1, 2003 and March 31, 2004 inclusive.

Speaking to this measure, the survey uses the question, "As a result of my shelter stay, I am more able to keep myself (and the children in my care) safer from abuse". The result reported is based on the sum of the responses "strongly agree" and "agree" to this survey question. As indicated in the chart below, of the respondents who provided a valid response, 95 per cent of them strongly

---

[7] For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology

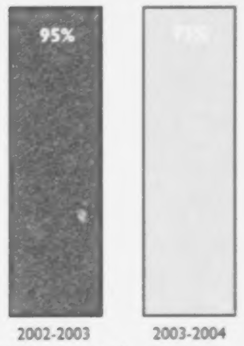
> This measure provides an indication of the extent to which shelter services have reduced the vulnerability of the women and/or their children who were shelter residents to future risks of abuse.

agreed or agreed with the statement. The target set for this measure is 75 per cent.

The result demonstrates the significance of shelter services in supporting change to the service recipients during their short-term shelter stays. In many cases, women rely on a number of other systems' responses in order to increase their levels of safety. Justice, social support and legal issues are also factors that impact increased safety and stability for women leaving abusive relationships. Coordination and resolution of these other system responses are vital considerations in shelter service delivery.

Respondents who reported that they are more able to keep themselves and their children in their care safer from abuse as a result of their shelter stay

Target: 75%



Based on 7 month survey data (September 2002 - March 2003)

Data Source:
Woman's Emergency Shelter Outcome Exit Survey
Alberta Children's Services

GOAL 2.2

Children in need will be protected and supported by permanent, nurturing relationships

Ensure a child welfare system of high quality, consistency and accountability

> 2.2.1 Develop and implement a new *Child Welfare Amendment Act* regulations and policies to place greater emphasis on and accountability for the safety and well-being of children, permanent, nurturing homes for children, the involvement of children and families in decision-making, and partnerships in the safeguarding of children.

> 2.2.3 Introduce a new quality assurance system to improve the quality, consistency, and accountability of child welfare services across the province and outcomes for children and families.

> 2.2.6 Under the Social Care Facilities Review Committee, continue to conduct legislated reviews and investigations of social care facilities as required to ensure safe environments for children.

Promote permanent and transitional supports for children involved with child protection

> 2.2.2 Implement the Alberta Response Model to transform child welfare services by focussing on "Kids First" and ensuring that the assessment of needs involves families, focuses on each child's individual developmental milestones, and outlines the steps to reunite the child with family or other permanent, nurturing homes.

> 2.2.4 Continue preventive and treatment services for the protection of children and youth under the *Protection of Children Involved in Prostitution Act* to improve outcomes for children and care givers.

> 2.2.5 Promote transitional supports such as mentoring programs, peer supports, and extended networks that enable youth leaving child welfare to make a successful transition to independence.

Ensure a child welfare system of high quality, consistency and accountability

Finding good homes

All children need healthy, stable and loving homes. Adoption can be a great way to satisfy that need. Children's Services placed 302 children in permanent government care into adoptive homes in 2003-04, a 30 per cent increase over the previous year. In a unique effort of the Yellowhead Tribal Services agency, 20 of these children were adopted through the Open Custom Adoption program. In 2003-04, Children's Services delivered another successful season of Wednesday's Child and the ministry's innovative Adoption Website received international recognition, including a profile in the North American Council on Adoptable Children newsletter and a nomination for the Premier's Award of Excellence for 2004. The site was also a finalist for the Canadian Information Productivity Award in 2003. Further, the International Adoption program facilitated 120 adoptions from 29 countries.

Protecting children and improving their welfare

The new legislation, the *Child, Youth and Family Enhancement Act* received Royal Assent in May 2003. To support the act, the ministry developed a draft regulatory framework and policies, training modules for ministry, DFNA and agency staff, and hosted a provincial professional seminar to promote Family Group Conferencing in creating successful goals, and permanency plans for Alberta's children, youth and families.

Ensuring the highest quality of service

In 2003-04, the ministry introduced a quality assurance system which was adopted by Delegated First Nations Agencies (DFNA) and Child and Family Services Authorities (CFSAs). Children's Services also pursued two significant initiatives to keep children safe:

- development of a plan for an Independent Review Process, to identify and protect the legal interests of children who are harmed while in government care
- proposal for an Office of the Children's Lawyer to ensure that children who are involved in custody/access disputes have appropriate representation.

Also in 2003-04, the Children's Advocate continued to identify issues for review, the Special Case Review and Complex Case Review processes were revised and

> Children's Services delivered another successful season of Wednesday's Child and the ministry's innovative Adoption Website received international recognition, including a profile in the North American Council on Adoptable Children newsletter and a nomination for the Premier's Award of Excellence for 2004.

Children's Services participated in the development of a Multi-disciplinary Pediatric Death Review.

Ensuring safe environments

During 2003-04, Children's Services Social Care Facilities Review Committee concluded 179 reviews of such facilities as foster homes, child and youth social care facilities, day cares and women's shelters across Alberta. The committee contributed its collected insights to the Alberta Roundtable on Family Violence and Bullying, the Alberta Learning Commission Report and the *Family Support for Children with Disabilities Act* regulations.

Promote permanent and transitional supports for children involved with child protection

Helping Youth become self-reliant adults

It can be difficult for some youth leaving child welfare to make successful transitions to independence. Children's Services is committed to helping with that transition. In 2003-04, the Youth in Transition mentoring pilots, conducted with the Alberta Mentoring Partnership were expanded to include Internet mentoring, and youth at risk, including at-risk youth in aboriginal communities. Plans were also put in place to provide mentors for the Advancing Futures Bursary program, a program supportive of youth in government care to become successful adults. In addition, Children's Services led an initiative to identify the financial and social supports required so that 16 and 17 year-olds who are no longer in need of protection can live independently.

Getting children out of prostitution

Nothing is more important than helping children have a happy and healthy childhood. For children involved in prostitution, this goal is a top priority. Under *Protection of Children Involved in Prostitution Act* (PChIP), Children's Services provides programs and services to children involved in prostitution to help them leave that way of life. The program provides protective safe houses, where children can break the cycle of abuse and begin the recovery process. In 2003-04, a new framework was established to respond to the current needs and trends of children at risk of sexual exploitation. Internet safety software was provided to over 3,500 foster parents to help them protect children in care from on-line threats and predators. In addition, a review of emerging trends, including the use of technology, led to the development of a new Alberta Children and Youth Initiative (ACYI) cross-ministry strategic plan. The plan addresses issues related to the sexual exploitation of children including child prostitution, child pornography and Internet luring.

OUTCOMES AND PERFORMANCE measures

Outcomes:

Children and youth in need of protective services are protected from further abuse and neglect.

Children and youth in care are placed in secure and stable environments that allow for the development of life-long relationships and connection to family and community.

Performance Measure:

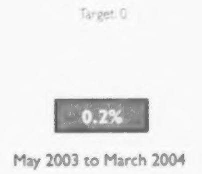
Percentage of children who suffer severe injury or die while receiving child protection services

Keeping children protected from harm is a key priority for child protection. This measure is interpreted as describing the proportion of children receiving child protection services who experience a severe injury that results in hospitalization[8] or in death[9]. This is consistent with the wording of the measure in the 2004-07 Ministry Business Plan and allows for comparability. Severe injury included in this measure is not limited to injuries that are the result of child maltreatment.

In 2003-04, 0.2 per cent of children suffered a severe injury that resulted in hospitalization or in death while receiving child protection services. The result reflects data collected during May 1, 2003 to March 31, 2004 from the Child Welfare Information System. The target for this measure is zero; that is, no children will suffer severe injury that results in hospitalization or in death while receiving child protection services. The target was not met.

The result reflects all severe injuries experienced by children that resulted in hospitalization or death regardless of the type of injury (for example, accidental injuries or self-inflicted injuries).

Children who suffer severe injury
that results in hospitalization or death
while receiving child protection services



Data Source:
Child Welfare Information System
Alberta Children's Services

---

[8] Hospitalization refers to the child receiving formalized medical intervention through two avenues: (1) receiving medical intervention at a hospital for urban and rural communities with access to hospitals or (2) being seen and receiving medical intervention by a medical professional at a medi-centre for rural/remote communities with no immediate access to hospitals.

[9] For 2003-04, of the 14 children who died while receiving child protection services, five were deaths due to severe injury (Source: CWIS records and Special Care review records April 28/04).

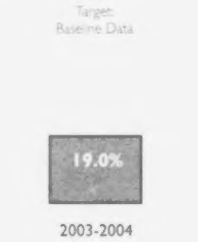
Performance Measure:

Percentage of children who experience a recurrence of maltreatment within 12 months

An ultimate goal of child protection services is to protect children from abuse and neglect and to work with families and community to prevent future incidents of child maltreatment.

This measure describes the proportion of children who experience at least one new incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment.

Children who experience a recurrence of maltreatment within 12 months



Data Source:
Child Welfare Information System
Alberta Children's Services

In 2003-04, 19.0 per cent of children experienced a recurrence of maltreatment within 12 months of a previously confirmed incident of child maltreatment. The result reflects data collected during April 1, 2003 to March 31, 2004 from the Child Welfare Information System (CWIS). The target for this measure is to establish baseline data.

Performance Measure:

Percentage of children receiving child protection services who moved two or more times outside their communities in a year

This measure was included in the 2003-06 ministry business plan to address family stability of children in child protection. As part of a national initiative to create a set of national child welfare measures, this measure is evolving. That process has resulted in a focus on measuring family moves as a way of addressing family stability. Family stability is a measure of the family's capacity to support their child's development and future ability to establish and maintain meaningful and significant relationships. The number of family moves is one indicator of whether a child has stability that will sustain and enhance the child's ability to develop long-term relationships in the larger social setting.

This performance measure does not address family moves and is not aligned with the national initiative. In addition, ministry data on family moves is incomplete for the reporting year. It is therefore not being reported on for 2003-04 and has not been carried forward in the 2004-07 ministry business plan. Even though the measure is not being carried forward in subsequent business plans, data will be collected through CWIS and over time, the ministry will have a more comprehensive picture of the frequency of family moves and its relationship to family stability.

Performance Measure:

Percentage of children in care who maintain a grade advancement rate comparable to the general school age population

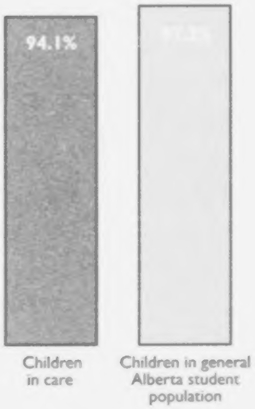
A child's school performance is one indicator of child well-being. In this measure school performance is being measured by a child advancing a grade level over a specified time period. For this measure, data was extracted from the Child Welfare Information System and Alberta Learning's Corporate Data Warehouse to determine the percentage of children in care in grades one to 11 who advance to a higher grade level for the school period 2002/03 to 2003/04[10].

Some children who have been abused or neglected may display indicators of cognitive delay. Depending on the severity and nature of the child's cognitive delay, the associated limitations may be offset by the caregiver providing supports that are responsive to the child's learning needs.

> Over the two school years from 2002-2003 to 2003-2004, 94.1 per cent of children in the ministry's out-of-home care advanced one grade level.

Comparison between children in care and children in general Alberta student population, who advanced a grade level from 2002-03 to 2003-04

Target: Baseline Data



Data Sources:
Child Welfare Information System
Alberta Children's Services
and
Corporate Data Warehouse
Alberta Learning

This measure addresses (i) the extent to which children in the ministry's out-of-home care have successfully advanced a grade level and (ii) how well these children have performed in this regard in comparison to the general Alberta student population.

---

[10] 83.7 per cent of Alberta Children's Services records matched to students' surname, birth date, and first five characters of first middle name as found in Alberta Learning's records (2.1 per cent error rate on 10 per cent sample of matched data).

> One objective of the ministry is having children who are under provincial guardianship placed in stable, long-term living arrangements.

For the purpose of responding to these questions, children in care included in the measure are from ages five to 17 inclusive in a registered school program and enrolled in grades one to11. Children in care refer to those in out of home care with a legal status under the *Child Welfare Act* of Alberta and who continued to have the same or one of the identified legal statuses as of September 2003[11].

Over the two school years from 2002-03 to 2003-04, 94.1 per cent of children in the ministry's out-of-home care advanced one grade level. This is compared to 97.2 per cent of children in the general Alberta student population.

The 3.1 per cent difference in the two groups is explicable by a number of factors associated with the children under the care of the ministry. These factors include:

i. interruptions in learning program due to family moves and or school moves;

ii. distraction due to poor nutrition and/or sleep deprivation;

iii. multiple disruptions in caregiver relationships; or

iv. lack of attachment to a primary caregiver.

Supplemental Measure Information:

Percentage of children and youth in care who were reunited with their families or placed in other stable, long-term, living arrangements

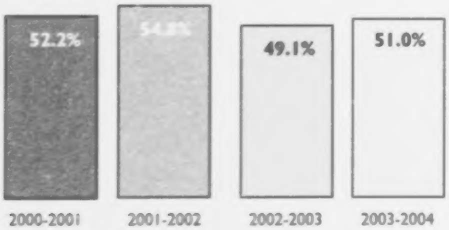
As a follow-up to commitments made in the 2002-03 ministry annual report, this information is provided as supplemental measurement information as the measure is no longer carried in the ministry business plan. One objective of the ministry is having children who are under provincial guardianship placed in stable, long-term living arrangements. This supplemental measure consists of two parts and reflects movement toward more stable living arrangements for children under provincial guardianship.

Part one: Percentage of all children who were in foster care, group care, and residential care, and who left foster care, group care and residential care by either returning to parental care, placement with significant other, placement with extended family, placement in independent living, or placement in supported independent living.

---

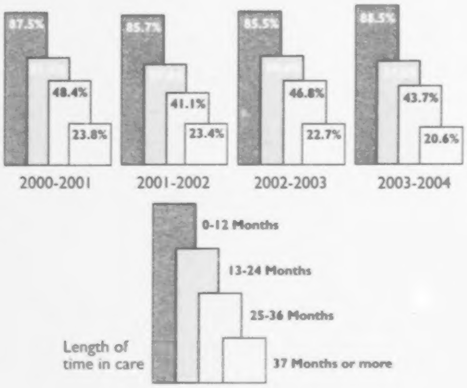
[11] Legal status under the *Child Welfare Act* of Alberta, RSA 2000 applicable to children in out of home care considered in this measure, includes: Permanent Guardianship Order, Permanent Guardianship Agreement, Temporary Guardianship Order, Order to Extend Custody/Temporary Guardianship Order to three years, Interim Care and Custody Order, Custody Agreements with Guardian, and Custody Agreement with Child.

Children who exited foster care, group care and residential care by either returning to parental care, placement with significant other, placement with extended family, placement in independent living or placement in supported independent living



Data Source:
Child Welfare Information System
Alberta Children's Services

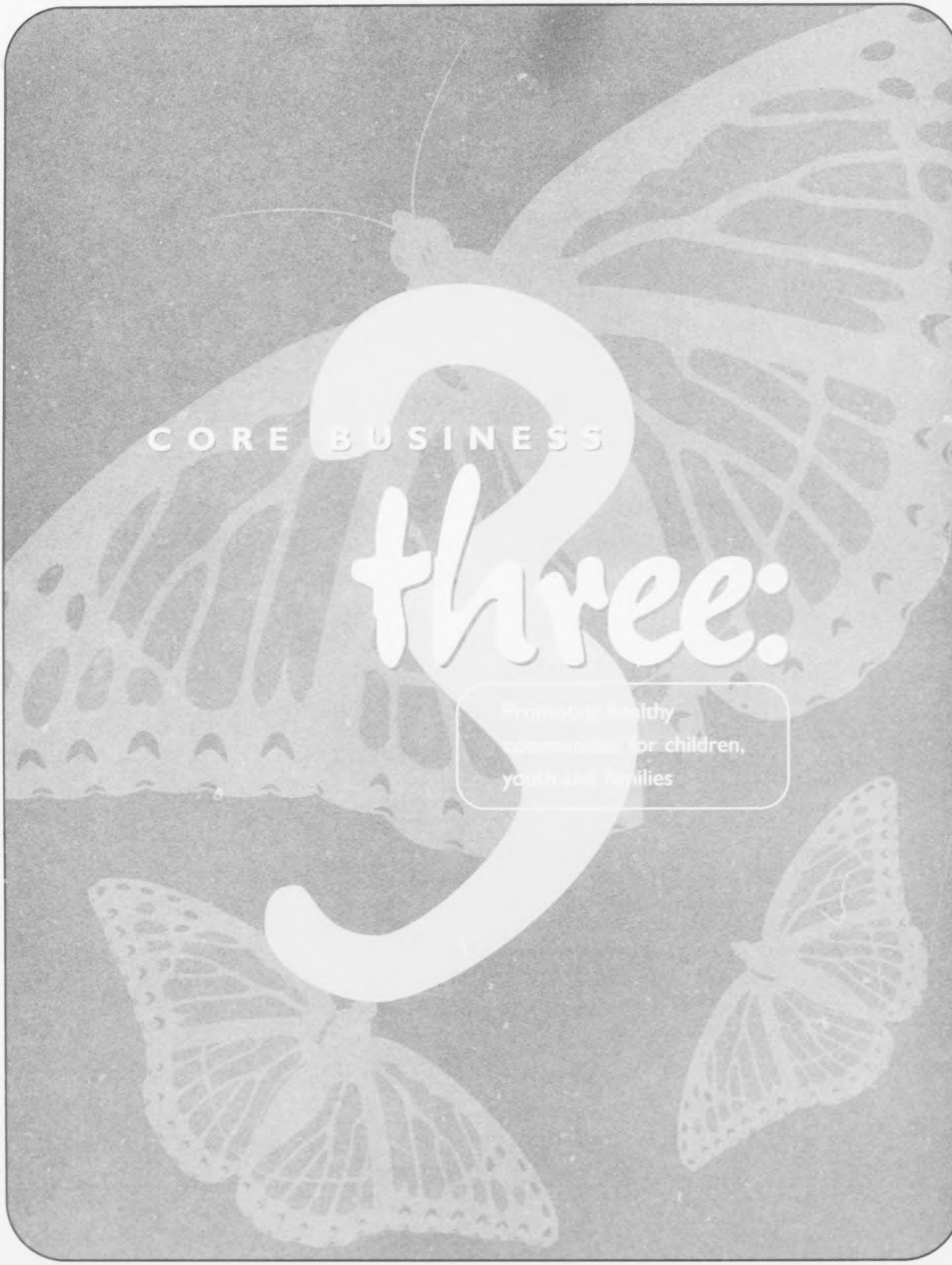
Children in care whose file closed in the year who had no more than three placements while the case was open



Data Source:
Child Welfare Information System
Alberta Children's Services

Note: the results for previous fiscal years have been restated to reflect children going back to foster care, group care and residential care within the respective fiscal year.

Part two: Of children in care whose file closed in 2003-04, the percentage of children who had no more than three placements while the case was open. The overall result is 67.0 per cent. This data is broken down by cases open for 0-12 months, 13-24 months, 25-36 months, and 37+ months.



CORE BUSINESS

3

three:

Promoting healthy communities for children, youth and families

GOAL 3.1

The well-being and self-reliance of aboriginal children, families and communities will be promoted, supported and comparable to that of other Albertans

Support aboriginal community to provide children and families with quality services

> 3.1.1 Continue to implement the ministry's Aboriginal Policy Initiative strategies to address gaps and improve the quality of services designed to meet the needs of aboriginal children, youth and families.

> 3.1.2 Develop and implement a strategy to encourage First Nations to develop and deliver prevention and early intervention initiatives within their communities to assist aboriginal children to reach their potential.

> 3.1.4 Develop and promote strategies to increase the educational attainment of aboriginal children and youth, particularly those in care, and the supports they need for a successful transition to adulthood.

Enhance partnerships with aboriginal communities

> 3.1.3 Work with partners in the development of a Mental Health Wellness Promotion campaign and services in aboriginal communities to prevent and reduce the incidence of youth suicide.

> 3.1.5 In collaboration with First Nations representatives, continue to implement an accountability framework for child welfare agreements that support First Nations communities in the governance, delivery and evaluation of child protection and permanency planning services for aboriginal children and youth.

> 3.1.6 Through negotiated framework agreements, promote joint planning and action between the ministry, the Metis Nation of Alberta Association, and Metis Settlements respecting equitable participation and involvement of Metis peoples in the programs, policies and standards that affect Metis children.

> The ministry worked with First Nations communities to develop and strengthen prevention and early intervention services.

Support the aboriginal community to provide children and families with quality services

Strengthening Early Intervention

Children's Services continued to made aboriginal children's issues a priority through the ministry's champion role with the Aboriginal Policy Initiative. The ministry worked with First Nations communities to develop and strengthen prevention and early intervention services. In addition, the ministry participated in a special meeting of Ministers Responsible for Social Services, national aboriginal organization leaders, and the Minister of Indian and Northern Affairs Canada (INAC) to discuss ways of addressing First Nations child welfare, disability and Fetal Alcohol Spectrum Disorder (FASD) issues.

Enhance partnerships with aboriginal communities

Finding a future for aboriginal children

The Aboriginal Youth Suicide Prevention Strategy became one of the key components of the Alberta Children and Youth Initiative (ACYI) in 2003-04. Phase one of the strategy included:

- implementing four aboriginal mentoring program pilots across the province
- working with three aboriginal communities to develop their own pilots to address social determinants of aboriginal youth suicide
- establishing a partnership with Health Canada, First Nations and Inuit Health Branch to support implementation of the strategy, including development of an integrated plan and resources

Supporting aboriginal communities

The ministry continued to work with First Nations and Metis representatives to develop child welfare agreements that support First Nations communities and Metis settlements in the areas of policy, governance, service-delivery and service evaluation. To further strengthen efforts in this critical area, a Metis Nation/Children's Services agreement was signed in 2003-04, setting out strategies to support joint planning and action. The intent of the agreement is to advance the well-being and self-reliance of aboriginal communities in accordance with "Metis Child" provisions in the *Child, Youth and Family Enhancement Act*.

OUTCOMES AND PERFORMANCE measures

Outcomes:

Aboriginal communities have the capacity to meet the needs of children, youth and families.

There is a reduced percentage of aboriginal children represented in the child welfare caseload.

Aboriginal children, youth and families receive culturally appropriate services.

Some children who have been abused or neglected may display indicators of cognitive delay. Depending on the severity and nature of the child's cognitive delay, the associated limitations may be offset by the caregiver providing supports that are responsive to the child's learning needs.

Performance Measure:

Percentage of aboriginal children[12] in care who maintain a grade advancement rate comparable to the general school age population

A child's school performance is one indicator of child well-being. In this measure school performance is being measured by a child advancing a grade level over a specified time period. For this measure, data was extracted from the Child Welfare Information System and Alberta Learning's Corporate Data Warehouse to determine the percentage of children in care with aboriginal status in grades one to 11 who advance to a higher grade level for the school period 2002-03 to 2003-04[13].

Some children who have been abused or neglected may display indicators of cognitive delay. Depending on the severity and nature of the child's cognitive delay, the associated limitations may be offset by the caregiver providing supports that are responsive to the child's learning needs.

This measure addresses (i) the extent to which aboriginal children in the ministry's out-of-home care have successfully advanced a grade level and (ii) how well these children have performed in this regard in comparison to the general Alberta student population.

For the purpose of responding to these questions, aboriginal children in care included in this measure are from ages five to 17 inclusive in a registered school program and enrolled in grades one to 11. Aboriginal children in care refer to those in out of home care with a legal status under the *Child Welfare Act* of Alberta and who continued to have the same or one of the identified legal statuses as of September 2003[14].

---

[12] For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology

[13] 83.7 per cent of Alberta Children's Services records matched to students' surname, birth date, and first five characters of first middle name as found in Alberta Learning's records (2.1 per cent error rate on 10 per cent sample of matched data).

Over the two school years from 2002-03 to 2003-04, 93.3 per cent of aboriginal children in the ministry's out-of-home care advanced one grade level. This is compared to 97.2 per cent of children in the general Alberta student population.

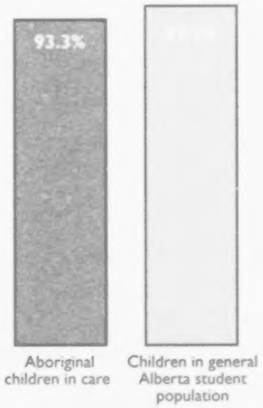
The 3.9 per cent difference in the two groups is explicable by a number of factors associated with the children under the care of the ministry. These factors include:

i. interruptions in learning program due to family moves and or school moves;
ii. distraction due to poor nutrition and/or sleep deprivation;
iii. multiple disruptions in caregiver relationships; or
iv. lack of attachment to a primary caregiver.

> Over the two school years from 2002-03 to 2003-04, 93.3 per cent of aboriginal children in the ministry's out-of-home care advanced one grade level. This is compared to 97.2 per cent of children in the general Alberta student population.

Comparison between aboriginal children in care and children in general Alberta student population, who advanced a grade level from 2002-03 to 2003-04

Target Baseline Data



Data Sources:
Child Welfare Information System
Alberta Children's Services
and
Corporate Data Warehouse
Alberta Learning

> One objective of the ministry is having children who are under provincial guardianship placed in stable, long-term living arrangements.

---

[14] Legal status under the *Child Welfare Act* of Alberta, RSA 2000 applicable to aboriginal children in out of home care considered in this measure, includes: Permanent Guardianship Order, Permanent Guardianship Agreement, Temporary Guardianship Order, Order of Extend Custody/Temporary Guardianship Order to 3 years, Interim care and Custody Order, Custody Agreements with Guardian, and Custody Agreement with Child

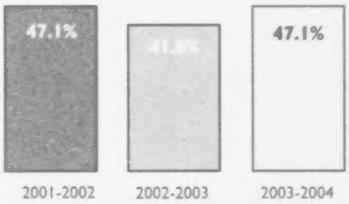
Supplemental Measure Information:

Percentage of aboriginal children[15] and youth in care who were reunited with their families or placed in other stable, long-term, living arrangements

As a follow-up to commitments made in the 2002-03 ministry annual report, this information is provided as supplemental measurement information as the measure is no longer carried in the Ministry Business Plan. One objective of the ministry is having children who are under provincial guardianship placed in stable, long-term living arrangements. This supplemental measure consists of two parts and reflects movement toward more stable living arrangements for aboriginal children under provincial guardianship.

Part one: Percentage of aboriginal children who were in foster care, group care and residential care and who left foster care, group care and residential care by either returning to parental care, placement with significant other, placement with extended family, placement in independent living, or placement in supported independent living.

Aboriginal Children who exited foster care, group care and residential care by either returning to parental care, placement with significant other, placement with extended family, placement in independent living or placement in supported independent living



Data Sources:
Child Welfare Information System
Alberta Children's Services

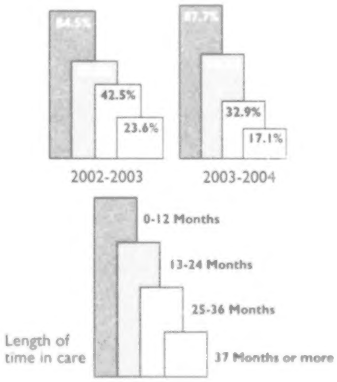
Note: the results for previous fiscal years have been restated to reflect Aboriginal children going back to foster care, group care and residential care within the respective fiscal year.

---

15 For methodology, see Appendix 2: Performance Measures – Data Sources and Methodology.

Part two: Of aboriginal children in care whose file closed in 2003-04, the percentage of children who had no more than three placements while the case was open. The overall result is 65.2 per cent. This data is broken down by cases open for 0-12 months, 13-24 months, 25-36 months, and 37+ months.

Aboriginal Children in care whose file closed in the year who had no more than three placements while the case was open



Data Source
Child Welfare Information System
Alberta Children's Services

Aboriginal children who suffer severe injury that results in hospitalization or death while receiving child protection services

0.2%

May 2003 to March 2004

Data Source:
Child Welfare Information System
Alberta Children's Services

Percentage of aboriginal children[16] who suffer severe injury or die while receiving child protection services

The measure "percentage of children who suffer severe injury or die while receiving child protection services" is presented under Goal 2.2. This supplemental measure is presented to give focus to aboriginal children. The measure describes the proportion of aboriginal children receiving child protection services who experience a severe injury that results in hospitalization or in death[17]. Severe injury included in this measure is not limited to injuries that are the result of child maltreatment.

---

[16] For methodology, see Appendix 2: Performance Measures - Data Sources and Methodogy

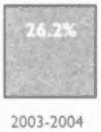
[17] For 2003-04, the total number of deaths due to severe injury is five; two of the five deaths were aboriginal children receiving child protection services (Source: CWIS records and Special Case review records April 28/04).

Between May 1, 2003 and March 31, 2004, 0.2 per cent of aboriginal children suffered a severe injury that resulted in hospitalization or in death while receiving child protection services. This result reflects all severe injuries experienced by children that resulted in hospitalization or death regardless of the type of injury (for example, accidental injuries or self-inflicted injuries).

Percentage of aboriginal children[18] who experience a recurrence of maltreatment within 12 months

This supplemental measure describes the proportion of aboriginal children who experience at least one new incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment. In 2003-04, 26.2 per cent of aboriginal children experienced a recurrence of maltreatment within 12 months of a previously confirmed incident of child maltreatment.

Aboriginal children who experience
a recurrence of maltreatment
within 12 months



Data Source:
Child Welfare Information System
Alberta Children's Services

---

[18] For methodology, see Appendix 2: Performance Measures - Data Source and Methodogy

GOAL 3.2

Communities will have the capacity to plan and deliver services that promote the well-being of children, youth and families

Collaborate with communities to meet needs of children and families

> **3.2.4** Work with municipalities to strengthen community-based services for children, youth and families through the Family and Community Support Services (FCSS) program.

> **3.2.6** Work with partners to explore and develop community advocacy initiatives for children and families, and ensure that the voices of children and youth are heard in the decision-making processes that affect them.

> **3.2.7** Promote the capacity and accountability of regional authorities, Family and Community Support Services, and aboriginal communities to design, integrate, deliver and assess services for children, youth and families.

Actively engage individuals, corporations and municipalities in addressing children and youth issues

> **3.2.1** Lead the implementation of Alberta's Promise, a public-private partnership dedicated to finding new and better ways of working together to give children the opportunity to lead happy, healthy, and successful lives.

> **3.2.5** Under Alberta's Promise, promote "communities of promise" which support the involvement of all community members, and recognize individual contributions to the well being of children, youth and families.

> **3.2.8** Facilitate opportunities for citizens to participate in public forums and discussions to advance the well being of children, youth and families, including the Children's Forum, Youth Advisory Panel, and Youth Forums.

> **3.2.9** Develop and maintain a public education campaign on the needs and achievements of Alberta's children, youth and families, including the Great Kids Awards.

Realize the cooperative benefits of initiatives across governments to promote safety and healthy development of children, youth and families

> **3.2.2** Champion the best interests of children and youth through cross-ministry initiatives, in particular:

- Alberta Children and Youth Initiative to support the healthy development of children and youth
- Aboriginal Policy Initiative to improve the well-being and self-reliance of aboriginal people, and to clarify federal, provincial and aboriginal roles and responsibilities
- Health Sustainability Initiative to respond to the recommendations in the Premier's Advisory Council on Health report.

> **3.2.3** Provide leadership on international, national, and inter-provincial initiatives to promote the safety, well-being and development of children, youth and families.

Collaborate with communities to meet needs of children and families

Reaching children and families through community

Children's Services worked with municipalities and Metis Settlements to develop and strengthen community-based preventive social programs for children, youth and families. The ministry championed Alberta's Promise to support communities in becoming a vibrant source of growth and development for children and families. To augment this effort and support the development of partnerships to respond to needs of children and families, a Community Partnership Enhancement Fund was implemented.

Tracking Results

The ministry continued to engage and support community partnerships and CFSAs in assessing outcomes of their work with children and families in their communities. Through the Making a Difference initiative (an outcome measurement system in partnership with the Family and Community Support Services Association (FCSSAA) and the Canadian Outcomes Institute), over 120 Family and Community Support Services (FCSS) projects were engaged in tracking outcomes that are being used to develop a comprehensive outcomes database for FCSS.

> The ministry championed Alberta's Promise to support communities in becoming a vibrant source of growth and development for children and families.

Actively engage individuals, corporations and municipalities in addressing children and youth issues

Keeping the promise of the future

In May 2003, the ministry launched Alberta's Promise, a joint public-private sector enterprise dedicated to finding new and better ways of working together to give children the opportunity to lead happy, healthy and successful lives. More than 70 partners participated including Promise Builders (businesses and corporations committed to supporting children and youth programs or projects), as well as other agency and community partners.

Engaging youthful opinions

Children's Services directed efforts to ensure that the voices of children can be heard in the decision-making processes that affect them. The Youth Advisory Committee gave Alberta youth a voice in government of Alberta policy changes addressing issues important to adolescents. Regional youth forums, which were planned by youth, profiled and increased awareness of youth issues for consideration in subsequent planning.

> Other major efforts in collaboration with relevant ministries contributed to significant achievements in several areas including FASD, mental health, children with special and complex needs, youth suicide, youth education and transition

In May 2003, the Uniting for Children Forum was held and hosted by youth representatives. The forum included the launch of Alberta's Promise as well as consultations with participants on the impact of new legislation and the Alberta Response Model (ARM).

The ministry also continued to create opportunities for youth involvement such as the My Alberta artwork/essay contest and the Community Advocacy Initiative which involves community members advocating for children and youth.

Honouring great kids

The Great Kids Awards honour and support children and youth throughout the province for their leadership, selflessness and community spirit. In 2003-04, 16 amazing young Albertans, from ages five to 18, were recognized for their outstanding contributions to schools, families and communities.

Realize the cooperative benefits of initiatives across governments to promote safety and healthy development of children, youth and families

Connecting to champion children

In 2003-04, the ministry actively participated with its partners on a number of fronts, including early childhood development and young family wellness. Through the Alberta Child and Youth Initiative (ACYI), a number of targets were met or exceeded including implementation the Kin Child Care pilot program (see cross-ministry initiatives on page 28). Other major efforts in collaboration with relevant ministries contributed to significant achievements in several areas including FASD, mental health, children with special and complex needs, youth suicide, youth education and transition.

Cross provincial Canadian Northwest Research Networks on FASD and Autism were developed. In addition, Alberta, Saskatchewan and Manitoba ministries established a memorandum of understanding as part of the Prairie Child Welfare Consortium to collaborate in the development of supports to promote child welfare best practices in the prairie provinces.

> The Great Kids Awards honour and support children and youth throughout the province for their leadership, selflessness and community spirit.

OUTCOMES AND PERFORMANCE *measures*

Outcomes:

Alberta is recognized for leadership in promoting strong children, families and communities at the international, national, provincial and community levels.

Communities are responsive to the needs, values and cultures of children and their families.

Children, youth and families have participated in decisions that affect them.

Albertans are involved in addressing issues faced by children, youth and families.

Performance Measure:

Percentage of expenditures in the children/youth project and service category of Family and Community Support Services.

A key focus of Children's Services is strengthening the capacity and self-reliance of communities to plan and deliver services to meet the needs of children, youth and families. The ministry, together with participating municipalities and Metis settlements, jointly fund social programs that are preventive in nature through the Family and Community Support Services (FCSS) Program. Programs and services available through FCSS provide a strong network of support to assist Alberta's children and families before they are in need of crisis intervention and to enhance community support in the move to a family enhancement model of child welfare services.

Each year, participating municipalities and Metis settlements are required to submit reports that include financial information and a listing of projects and services receiving funding. Project information is identified within numerous service categories including Children/Youth, Adult/Families, Seniors, and Community Development. The Family and Community Support Services Regulation requires participating municipalities to submit these reports to the ministry within 120 days (or four months) of the end of the municipality's fiscal year. Most municipalities submitted 2002 Annual FCSS Program Reports by April 30, 2003. Information for this 2003-04 Business Plan Performance Measure is therefore based on data collected in 2002.

During the reporting period, a total of 286 municipalities and Metis settlements, organized into 193 Programs, provided FCSS services throughout Alberta. Data contained in this report is based on information received from 191 of the 193 Programs. The two

> Programs and services available through FCSS provide a strong network of support to assist Alberta's children and families before they are in need of crisis intervention and to enhance community support in the move to a family enhancement model of child welfare services.

communities that are not included received nominal funding and did not impact the numbers reported for this measure.

An expenditure percentage of 29 per cent was achieved within the Projects and Services category for Children/Youth (Category A, Section 2 of the Annual FCSS Program Report), meeting the target set for 2003-04. This result represents expenditures of almost $22 million in 2002. Total expenditures reported in FCSS slightly exceeded $74.6 million.

FCSS funding in support of community initiatives targeting children and youth reflects the ministry's continued commitment to strengthening capacities to transform local knowledge and sensitivity regarding needs of children and youth into responsive projects and services that are preventive in nature. The Ministry of Children's Services remains committed to these targets by including a reporting category to capture FCSS funded programs and services provided for Alberta's children and youth on an annual basis.

FCSS funding in support of community initiatives targeting children and youth reflects the ministry's continued commitment to strengthening capacities to transform local knowledge and sensitivity regarding needs of children and youth into responsive projects and services that are preventive in nature.

Expenditures in the
"Children/Youth Projects
and Services" category of FCSS

Target 29%

Data Source:
Annual FCSS Program Reports
Alberta Children's Services

CORPORATE strategies

THE CORPORATE STRATEGIES OF THE ministry support the achievement of set goals across all three of the ministry's core businesses. Children's Services is a learning organization committed to staff development, strengthening the infrastructure required to deliver services, and promoting the cost effective management of resources to improve outcomes for children, youth, families and communities. The results of key corporate strategies undertaken over the past year are highlighted below.

- The ministry reviewed regional authority boundaries to maximize the investment of available resources. The review was completed on April 1, 2003. Eighteen regions were consolidated into 10 and the department also restructured to better support outcome focused service delivery and community engagement.
- Children's Services worked with relevant partners in the design and delivery of policies, programs and services for children youth and families.
  - Ministry-sponsored symposia and workshops engaged international experts to work with community partners in areas of children's policy, issues and services.
  - The ministry enhanced program quality, access and standards, policies and contractual relationships by working extensively with community partners. Examples of these partners include FCSS Program Advisory Team, Alberta Home Visiting Association and Library Association of Alberta.

> Performance measurement of child protection services has focused on the National Outcome Measure (NOM) Child Welfare Matrix, a set of nationally recognized outcome measures. The ministry has adopted all 10 of the outcome measures.

- A Ministry Accountability Framework was implemented at the CFSA level. The framework supports organizational and individual accountability with an emphasis on achievement and evaluation of outcome focused results, implementation of agreed upon strategies, and clear assignment of roles and responsibilities.
- The ministry completed a number of evaluation initiatives that emphasize the involvement of clients and stakeholders. Results achieved in 2003-04 include the development and implementation of the ministry's first three-year evaluation plan, the development of a ministry evaluation framework, the completion of several major evaluation projects on major initiatives including the Community Response Team pilot projects in Edmonton and Calgary, the Safe Houses for the Protection of Children Involved in Prostitution (PChIP) initiative, the 'Mentoring Works!' public awareness campaign, and the Ovation program and several evaluation plans and frameworks including the framework for the implementation evaluation of the Alberta Response Model (ARM) and the plans for the evaluation of the *Child, Youth and Family Enhancement Act, the Family Support for Children with Disabilities Act*, the Client Interview Protocol, and the First Nations Practice Standards.
- A primary consideration and continuous activity in the evaluation system development initiatives was the continued engagement of stakeholders. Examples of these initiatives include Making a Difference Outcome Measurement, an FCSS program performance evaluation project; the "re-write" process to enhance the Women's Shelter Information System; and the FASD Program and Service Inventory.
- Performance measurement of child protection services has focused on the National Outcome Measure (NOM) Child Welfare Matrix, a set of nationally recognized outcome measures. The ministry has adopted all 10 of the outcome measures.
- Enhancements to Child Welfare data collection systems were implemented for reporting on four NOM-based performance measures implemented in 2003-04.
- The ministry continued to develop strategies to attract, retain, and develop staff. Examples include:
  - The development and distribution of a Performance Management framework and a Leadership Development/Succession Planning Model which focus on leadership capacity building, performance management and succession planning within ministry.

  - the delivery of 12 Face-to-Face Leadership workshops, attended by approximately 240 CEO's, managers and supervisors from the ministry and Delegated First Nations Agencies.
- Fourteen Metis and Non-Status Indian bursaries were awarded to students pursuing studies in the field of social work
- An evaluation was completed for Ovation – a ministry-wide staff recognition program.
- Working processes with the Alberta Corporate Service Centre (ACSC) and the Personnel Administration Office were improved to encourage better communications on employee relations issues and improved resolutions to employee relations issues that have cross-ministry impact.
- The Information Management Framework (IMF) was implemented to guide the long term development of sound information management practices within ACS.
- During 2003-04, phase one of the IMF implementation was completed with the development of the business intelligence environment focusing on adopting a more technologically advanced toolset for data collection, analysis and reporting. This toolset allows for more sophisticated query, manipulation and reporting of information and is designed to enable the user greater access to, and more control of the information to maximize its value and usage. This empowerment of the user results in a reduced reliance technical staff to respond to this growing number of information requests and address pressing business questions in a more timely fashion, with a higher degree of consistency from a common (official) repository.
- The first information products were made available on November 14, 2003, consisting of the enhanced version of the Financial Practices Report. The FPR is intended to identify the comparative cost of doing business between respective CFSAs by comparing factors as cost per case, per diems, caseload and key indicators.
- The ministry continued to develop leading edge financial management and other business practices.
  - A Fiscal Management Council was established to oversee the achievement of departmental and regional financial targets, including increased accountability and successful management of budget pressures.
  - Through training and strategic human resource deployment, the CFSAs have enhanced forecasting, budget management and financial reporting expertise. This development strengthened CFSAs' capacity, ensured consistency in financial operations, and provided for fuller recovery of costs incurred for First Nations children and families, as well as enhanced overall accountability.

financial ANALYSIS

Results of Operations

The Ministry of Children's Services balanced its budget in 2003-04. As reported in the 2003-04 Government of Alberta Annual Report, the Ministry ended the year spending $1.9 million less than the authorized budget.

Revenues

The Ministry of Children's Services consolidated revenues in 2003-04 were $187 million, approximately $42 million higher than in the previous year. This reflects increased transfers from the Government of Canada, and from the Lottery Fund, targeted to the Family and Community Support Services (FCSS) programs delivered by municipalities offering preventative social services to their residents.

Expenses

The ministry's annual spending increase of $42.7 million from 2002-03, consistent with the approved increase to the ministry's base budget, was invested in various new initiatives and continued long-term improvements for Alberta children and families that the ministry had undertaken in areas of Child Welfare, Services to Children with Disabilities, Prevention of Family Violence and Women's Shelter Programs.

Comparison of 2003-04 Budget to Actuals

Summary:

The following provides explanation of the various program variances:

Child Care - The continuing decrease in the Provincial Day Care and Family Day Home subsidy utilization resulted in an under expenditure of $7.9 million.

- **Child Welfare** – Services for Children in-care showed an increased number of cases, higher cost per case resulting from enhanced treatment and general cost increases, as well as increase in the number of days in-group care and residential care facilities resulting in an over expenditure of $7.1 million. An additional $3 million was incurred for negotiated staff salary costs and increases for the cost of services purchased in other child welfare programs such as foster care.
- **Child Care** - The continuing decrease in the Provincial Day Care and Family Day Home subsidy utilization resulted in an under expenditure of $7.9 million. Funds were invested in preparing day care centres to meet accreditation standards for quality. The newly developed accreditation program addresses issues such as recruitment and retention of staff as well as increases the standards of practice associated with quality care, the enhancement of children's learning, growth and development, and support for families in their parenting role.
- **Resources for Children with Disabilities (RCD)** - Greater consistency in the interpretation of program policies and eligibility criteria as well as normal caseload attrition has reduced the caseload in this program resulting in a budget surplus of $5.3 million.
- **Early Intervention (EI)** - The reallocation of budget dollars to new prevention and intervention services in Child Welfare such as the Family Enhancement Program contributed to the majority of the $5.5 million surplus. The Family Enhancement initiative allows for early intervention with children and families outside of the Child Protection system.
- **Prevention of Family Violence** – Increased costs in overall basic emergency services in the Women's Shelter core program such as food, shelter, essential clothing, transportation, staffing for crisis counselling, child care and administration contributed to the $1.9 million over expenditure.
- **Protection of Children Involved in Prostitution** - Lower utilization of residential facilities and protective safe houses resulted in under spending of $1.5 million.
- **Community Capacity Building** – The need to provide prompt response to growing community impetus in promoting effective services, and the ministry's commitment to support inter-agency collaborations and promote integration of services through partnerships, resulted in approximately $2 million over-expenditure. These initiatives include working with communities and organizations to help identify issues and engage communities in active collaboration in planning the delivery of services.

> Early Intervention (EI) - The reallocation of budget dollars to new prevention and intervention services in Child Welfare such as the Family Enhancement Program ($4 million) contributed to the majority of the 5.5 million surplus. This program is a new initiative for 2003-04 which will allow for early intervention with children and families outside of the Child Protection system.

- **Dedicated Revenue Shortfall** – The anticipated dedicated revenue budget included amounts to be received from the Federal Government, for *on-reserve* children that are served by the Child and Family Services Authorities (CFSAs). The shortfall in dedicated revenue resulted from some First Nation Agencies assuming delegated service responsibilities during the year. The number of on-reserve cases managed by the CFSAs declined by 20 per cent. As well, Children's Disability Benefit recoveries were less than budgeted due to the delayed Federal Government finalization of eligibility criteria.
- **Capital Investments** – $3.1 million over expenditure resulted from the need to enhance the information systems due to the implementation of the new legislation supporting the Child Welfare and Resources for Children with Disabilities (RCD) programs.

Comparison of 2003-04 Actuals to 2002-03 Comparable Actuals

- Two new initiatives undertaken during the year increased Ministry Support Services spending from previous year. $2.8 million was spent for the establishment of Alberta Centre for Child, Family and Community Research - a new private, not-for-profit agency for applied research. The purpose of the centre is to support the implementation of initiatives that improve the well-being of children, youth and families. Approximately, $0.7 million was provided to the Secretariat established to support Alberta's Promise initiative.
- Expenditures for Services for Children and Families were $39.7 million more than the previous year. Higher average cost per case, increase usage of intensive care placement, continued implementation of the Alberta Response Model, and the number of children requiring Intensive Behavioural Interventions (IBI) increased spending in 2003-04. Early Childhood Development, Mentoring for Parents and Fetal Alcohol Initiatives undertaken during the year incurred additional spending from previous year. A further increase was incurred by Prevention of Family Violence to fulfil commitments for wage increases in women's shelters.

Comparison of 2003-04 Expenses by Core Business

Core Business	2003-2004 Budget	2003-2004 Actuals	2002-2003 Actuals (comparable)
	($000)	($000)	($000)
1. Promoting the development and well-being of children, youth and families.	252,929	241,562	227,613
2. Keeping children, youth and families safe and protected.	352,975	357,927	333,212
3. Promoting healthy communities for children, youth and families.	102,501	101,197	97,191
TOTAL MINISTRY EXPENSE	**708,405**	**700,686**	**658,016**

* Figures in thousands

- The rise in Family and Community Support Services (FCSS) of $0.38 million is a result of an increase in the base grant.

> The purpose of the Alberta Centre for Child, Family and Community Research is to support the implementation of initiatives that improve the well-being of children, youth and families.

Comparison of 2003-04 Budget to 2003-04 Comparable Actuals

- Actual spending for core business 1 was $11.3 million less than budget due to lower spending in Child Care, Resources for Children with Disabilities (RCD) and Early Intervention programs. The under expenditure is partially offset by over expenditure in the Child Welfare program.
- Actual expenses for core business 2 were approximately $5 million higher than budget due to higher actual expenses in Child Welfare and Prevention of Family Violence, which were offset by under-spending in Child Care and Protection of Children Involved in Prostitution.

- Actual expenses for core business 3 were $1.3 million less than budget due to the lower spending in Early Intervention. The under expenditure has been partially offset by over expenditure in Family and Community Support Services (FCSS).

Comparison of 2003-04 Actuals to 2002-03 Comparable Actuals

- The increase of $13.9 million in spending is due to a higher spending in Child Welfare, Services to Children with Disabilities and Early Intervention programs.
- Actual expenses for core business 2 increased by $24.7 million over the previous year because of higher spending in Child Welfare, Services to Children with Disabilities and Prevention of Family Violence programs.
- Spending on core business 3 increased by $4 million from 2002-03. The expenditure was due to higher spending in Child Welfare, Early Intervention and Family Community Support Services (FCSS).

LOOKING *forward*

ALBERTA CHILDREN'S SERVICES IS committed to achievement of the Government of Alberta Business Plan by supporting Alberta's children and youth in reaching their potential. They are the next generation who will maintain and build on the prosperity that Albertans enjoy. The following are some examples of where we are headed.

Family violence prevention is an important business priority for the ministry in the coming year. As part of continuing efforts to create a violence-free province, in 2004-05 Children's Services will be submitting a report to government outlining recommendations for action on family violence and bullying, based on what was heard at the Alberta Roundtable on Family Violence and Bullying. In addition, the ministry will dedicate a senior staff position solely for implementing an action plan to prevent family violence and bullying in Alberta.

In partnership with First Nations and other partners involved with First Nations children, an evolving strategy to support permanency planning for First Nations children and youth in care will be developed and implemented. A similar process is underway with regard to Metis children in conjunction with Metis Settlements CFSA - Region 10.

Work is also moving forward on practice standards for Delegated First Nations Agencies (DFNAs) in Alberta, with standards comparable to existing ministry standards, while at the same time addressing the unique service realities of First Nations delivery.

The new *Family Support for Children with Disabilities Act* is scheduled for proclamation on August 1, 2004.

> As part of continuing efforts to create a violence-free province, in 2004-05 Children's Services will be submitting a report to government outlining recommendations for action on family violence and bullying, based on what was heard at the Alberta Roundtable on Family Violence and Bullying.

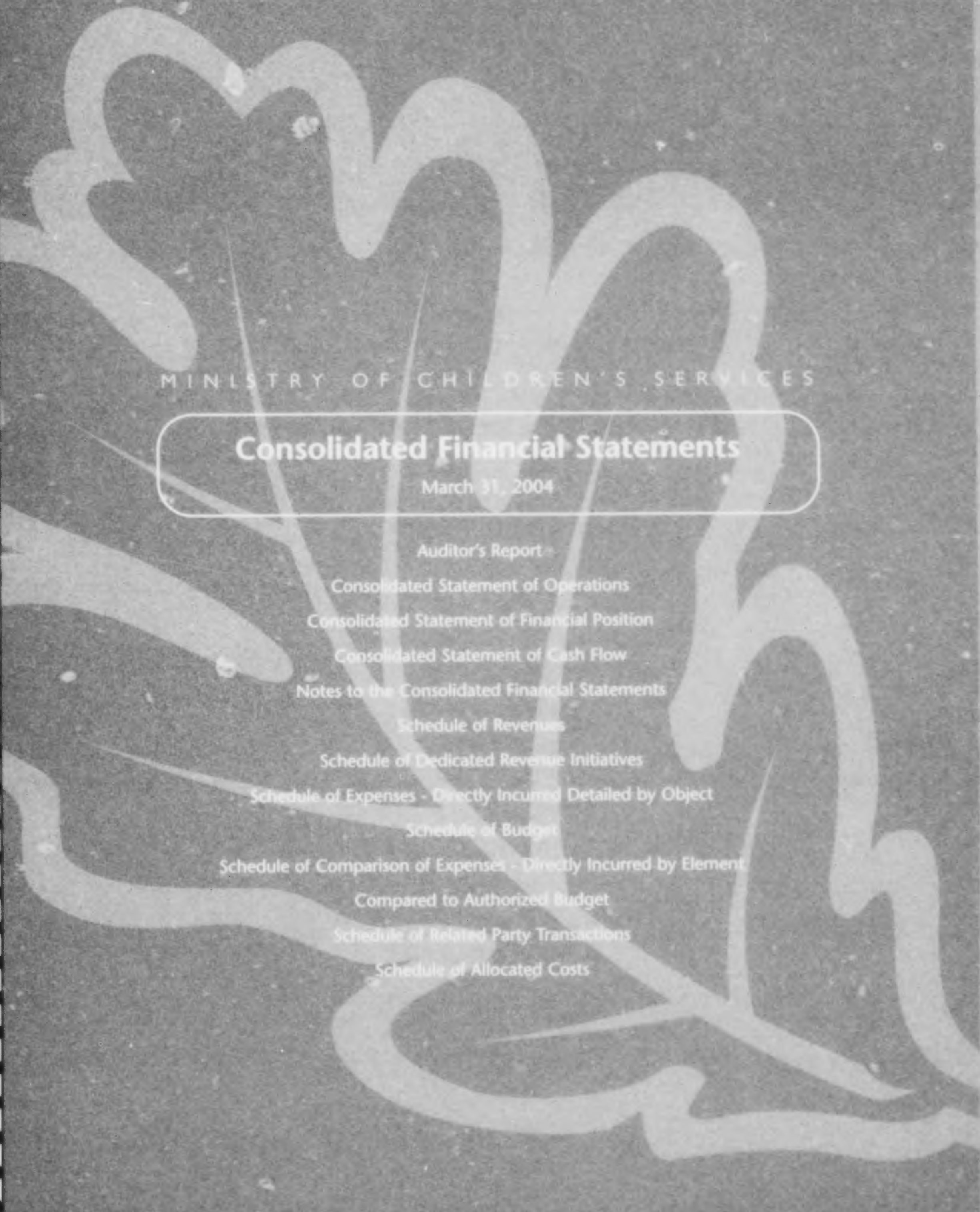
This legislation, along with the *Child, Youth and Family Enhancement Act* which comes into force in November 1, 2004, sets the stage for increased concentration on supporting the needs of children and families. The emphasis on support needs is strengthened on the basis of a service focus on achieving permanency faster for children in care, family preservation and support, and more family and aboriginal involvement in making decisions affecting children.

We will be a full and active participant with partnering ministries through the Alberta Children and Youth Initiative (ACYI) in addressing the high priority problem of sexual exploitation of children and youth. Children's Services, along with partnering ministries, will support a provincial strategy to raise awareness and to prevent child sexual exploitation.

By partnering with communities to build on existing strengths, parents will be supported in their role as caregivers and nurturer through a network of parent resource centres that provide parent education, preschool development, family support, early learning and care to families with young children.

As a major component of the Alberta Response Model (ARM), Family Enhancement programming will continue to grow as more partnerships are created to connect children and families with community-based resources. This is vital to building the capacity for earlier and alternative services in response to the needs of lower risk families.

financial information



MINISTRY OF CHILDREN'S SERVICES

Consolidated Financial Statements

March 31, 2004

Auditor's Report
Consolidated Statement of Operations
Consolidated Statement of Financial Position
Consolidated Statement of Cash Flow
Notes to the Consolidated Financial Statements
Schedule of Revenues
Schedule of Dedicated Revenue Initiatives
Schedule of Expenses - Directly Incurred Detailed by Object
Schedule of Budget
Schedule of Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget
Schedule of Related Party Transactions
Schedule of Allocated Costs

ministry of children's services

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Children's Services as at March 31, 2004 and the consolidated statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Children's Services as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Consolidated Statement of Operations

For the year ended March 31, 2004

	2004 Budget (Schedule 4)	2004 Actual	2003 Actual (restated - Note 8)
	(In thousands)		
Revenues (Schedule 1)			
Transfers from Government of Canada	$ 139,933	$ 146,368	$ 105,983
Internal Government Transfers	30,000	30,000	25,000
Other	14,005	11,040	14,521
	183,938	187,408	145,504
Expenses - Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 3, 4 and 5)			
Ministry Support	15,945	16,925	13,596
Services to Children and Families	619,775	610,633	570,963
Family and Community Support	71,185	72,611	72,235
	706,905	700,169	656,794
Statutory (Schedules 3, 4 and 5)			
Valuation Adjustments	1,500		
Vacation Pay		514	615
Doubtful Accounts		3	606
	1,500	517	1221
Total Expenses	708,405	700,686	658,015
Net Operating Results	$ (524,467)	$ (513,278)	$ (512,511)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	2003 (restated - Note 8)
Assets		
Cash	$ 36,825	$ 35,261
Accounts Receivable (Note 3)	14,298	15,346
Advances	421	424
Tangible Capital Assets (Note 4)	4,395	2,271
	$ 55,939	$ 53,302
Liabilities		
Accounts Payable and Accrued Liabilities	$ 48,052	$ 73,478
Net Liabilities		
Net Liabilities at Beginning of Year	(20,176)	(9,658)
Net Operating Results	(513,278)	(512,511)
Net Transfer from General Revenues	541,341	501,993
Net Assets (Liabilities) at End of Year	7,887	(20,176)
	$ 55,939	$ 53,302

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004	2003 (restated - Note 8)
Operating Transactions		
Net Operating Results	$ (513,278)	$ (512,511)
Non-Cash Items:		
Amortization	1,336	991
Valuation Adjustments	517	1,221
	(511,425)	(510,299)
Decrease in Accounts Receivable[a]	1,045	1,073
Decrease in Advances	3	5
Increase (Decrease) in Accounts Payable[a]	(25,940)	22,408
Decrease in Unearned Revenue	-	(121)
Cash Applied to Operating Transactions	(536,317)	(486,934)
Capital Transactions		
Acquisition of Tangible Capital Assets	(3,460)	(1,237)
Cash Applied to Capital Transactions	(3,460)	(1,237)
Financing Transactions		
Net Transfer from General Revenues	541,341	501,993
Increase in Cash	1,564	13,822
Cash, Beginning of Year	35,261	21,439
Cash, End of Year	$ 36,825	$ 35,261

(a) Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

Note 1 Ministry and Purpose

The Ministry of Children's Services has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the ministry consists of the organizations listed below.

Organization	**Legislation**
Department of Children's Services	*Government Organization Act*
10 Child and Family Services Authorities (CFSAs)	*Child and Family Services Authorities Act*

The ministry is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by Government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Other authoritative pronouncements, accounting literature and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(A) REPORTING ENTITY

The reporting entity is the Ministry of Children's Services for which the Minister of Children's Services is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(B) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Monetary donations received from external sources are recorded as revenue when received.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the ministry's dedicated revenue initiatives.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the ministry's operations are disclosed in Schedule 7.

Assets

Financial assets of the ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

Liabilities represent all financial claims payable by the ministry at fiscal year end.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Net Assets/Liabilities

Net assets/liabilities represents the difference between the value of assets held by the ministry and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

Accounts receivable recorded as $14,298 and accounts payable and accrued liabilities of $48,052 in these financial statements are subject to measurement uncertainty. These amounts have been estimated based on information available at the time these financial statements were produced.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

Note 3 Accounts Receivable

	(In thousands)			
	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 16,023	$ 2,035	$ 13,988	$ 14,605
Refunds from Suppliers	310	-	310	741
	$ 16,333	$ 2,035	$ 14,298	$ 15,346

Accounts receivable are unsecured and non-interest bearing.

Note 4 Tangible Capital Assets

	(In thousands)				
	2004				2003
	Estimated useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicle	3 – 5 years	$ 64	$ 33	$ 31	$ 44
Computers/Systems/Equipment	5 – 10 years	16,530	12,166	4,364	2,227
		$ 16,594	$ 12,199	$ 4,395	$ 2,271

New system development is currently amortized over five years based on management estimates as to the useful lives of specific information systems.

Note 5 Commitments

At March 31, 2004, the ministry has the following commitments:

	(In thousands)	
	2004	2003
Service contracts	$ 5,719	$ 2,420
Long-term leases(a)	$ 1,644	$ 1,807

Note 5 Commitments (cont'd)

(a) The ministry leases certain equipment and vehicles under operating leases that expire at various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(In thousands)		
2005	$	818
2006	$	525
2007	$	237
2008	$	60
2009	$	4

Note 6 Contingencies (In thousands)

At March 31, 2004, the ministry is a defendant in 81 claims (2003 - 80 claims). Seventy-two of these claims have specified amounts totaling $356,779 and the remaining nine have not specified any amount (2003 - 72 claims with a specified amount of $1,306,265 and eight with no specified amount).

Included in the total claims are 39 claims amounting to $311,860 in which the ministry has been jointly named with other entities. Fifty-four claims amounting to $317,426 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 7 Defined Benefit Plans (In thousands)

The ministry participates in the multi-employer pension plans, the Management Employees Pension Plan and the Public Service Pension Plan. The ministry also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,605 for the year ending March 31, 2004 (2003 - $6,892).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 - deficiency of $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - actuarial deficiency of $175,528).

At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 - actuarial surplus of $6,472).

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - actuarial deficiency of $14,434) and the Management Opted Out and Excluded Plan an actuarial surplus of $1,298 (2003 - actuarial deficiency of $3,053). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 8 Program Transfer (in thousands)

a) Effective April 1, 2003, the Family and Native Court Worker program was transferred to Alberta Justice. Comparatives for 2003 in these financial statements have been restated as if Alberta Justice had delivered this program in 2002/2003.

Net operating results as previously reported for the year ended March 31, 2003	$	(513,470)
Add: program expenses		1,159
Restated net operating results for the year ended March 31, 2003	$	(512,311)
Net transfer from General Revenues as previously reported for the year ended March 31, 2003	$	502,952
Less: funding provided		(1,159)
Restated net transfer from General Revenues	$	501,793

b) Effective April 1, 2003, the Social Services Bursaries Program was transferred from the Department of Human Resources and Employment to the Department of Children's Services. For the period ending March 31, 2003, the expenses relating to this program amounted to $200. Comparatives for 2003 in these financial statements have been restated as if Alberta Children's Services had delivered this program in 2002/2003.

Restated operating results as per a) above for the year ended March 31, 2003	$	(512,311)
Less: program expenses		(200)
Restated net operating results for the year ended March 31, 2003	$	(512,511)
Restated net transfer from General Revenues as per a) above for the year ended March 31, 2003	$	501,793
Add: funding		200
Restated net transfer from General Revenues	$	501,993

Note 9 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 10 Approval of Financial Statements

The financial statements were approved by the senior financial officer and the deputy minister.

Revenues - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Transfers from Government of Canada			
Canada Health and Social Transfer	$ 108,707	$ 116,619	$ 79,897
Services to On-Reserve Status Indians	11,800	11,921	11,593
Child Welfare Special Allowance and other	19,426	17,828	14,493
	139,933	146,368	105,983
Internal Government Transfers			
Transfer from Lottery Fund	30,000	30,000	25,000
Other Revenue			
Refunds of Expenditure			
First Nation Agencies Recoveries	8,500	4,417	5,658
Other Refunds	1,070	6,443	4,406
Other	4,435	180	4,457
	14,005	11,040	14,521
Total Revenues	$ 183,938	$ 187,408	$ 145,504

Dedicated Revenue Initiatives - Schedule 2

For the year ended March 31, 2004

	(In thousands)		
	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)
Services to On-Reserve Status Indians	$ 18,300	$ 16,338	$ (1,962)
Parent / Guardian Maintenance Payments	400	180	(220)
Children Special Allowance	19,150	17,828	(1,322)
	$ 37,850	$ 34,346	$ (3,504)[1]

Services to On-Reserve Status Indians

Recoveries from the Government of Canada and from Delegated First Nation Agencies for children identified as ordinarily living on a reserve.

Parent / Guardian Maintenance Payments:

Recoveries from parents or guardians for children in care of the Government.

Children Special Allowance

Monthly benefits received from the Canada Customs and Revenue Agency for children in provincial care.

The revenues and expenses related to the dedicated revenue initiatives are included in the ministry's revenue and expenses.

(1) Shortfall is deducted from the current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Expenses - Directly Incurred Detailed by Object - Schedule 3

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget[a]	Actual	Actual (restated – Note 8)
Salaries, Wages and Employee Benefits	$ 144,279	$ 150,147	$ 142,197
Supplies and Services	446,561	427,351	398,478
Grants	113,954	122,158	114,933
Supplies and Services from Support Services Arrangements with Related Parties[a]	1,035	1,035	2,060
Financial Transactions and Other	130	142	135
Amortization of Capital Assets	946	1,336	991
Valuation adjustments	1,500		
Vacation pay		514	615
Doubtful accounts		3	606
	$ 708,405	$ 702,686	$ 660,015
Less: Recovery from Alberta Health and Wellness	-	(2,000)	(2,000)
Total Expenses	$ 708,405	$ 700,686	$ 658,015

---

[a] The ministry received program services from the Ministry of Community Development (Persons with Developmental Disabilities Board).

Budget - Schedule 4

For the year ended March 31, 2004

(In thousands)

	2003 - 2004 Estimates	Adjustment (a)	2003 - 2004 Budget	Authorized Supplementary (b)	2003 - 2004 Authorized Budget
Revenues					
Transfer from Government of Canada	$ 139,933	$ -	$ 139,933	$ -	$ 139,933
Internal Government Transfers	30,000	-	30,000	-	30,000
Other	14,005	-	14,005	-	14,005
	183,938	-	183,938	-	183,938
Expenses - Directly Incurred:					
Ministry Support	15,945	-	15,945	-	15,945
Services to Children and Families	619,775	-	619,775	864	620,639
Family and Community Support Services	71,185	-	71,185	-	71,185
Dedicated Revenue Shortfall (Schedule 2)	-	(3,504)	(3,504)	-	(3,504)
Valuation Adjustments	1,500	-	1,500	-	1,500
Vacation Pay					
Doubtful Accounts					
Total Expenses	708,405	(3,504)	704,901	864	705,765
Net Operating Results	$ (524,467)	$ 3,504	$ (520,963)	$ (864)	$ (521,827)
Capital Investments	$ 300	$ -	$ 300	$ -	$ -

(a) Adjustments is for the dedicated revenue shortfalls.

(b) Supplementary Estimate was approved on Dec 4, 2003. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*. The Supplementary Estimate of $864,000 was to provide one time funding to assist contracted agencies with operations and maintenance costs.

Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget - Schedule 5

For the year ended March 31, 2004

(In thousands)

	2003-2004 Estimates	Adjustment (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual Expense (c)	Unexpended (Over Expended)
Voted:							
Ministry Support Services							
Minister's Office	$ 300	$ -	$ 300	$ -	$ 300	$ 299	$ 1
Deputy Minister's Office	380	-	380	-	380	380	-
Office of the Children's Advocate	2,000	-	2,000	-	2,000	2,149	(149)
Partnership, Aboriginal Support, and Intergovernmental Relations	912	-	912	-	912	1,033	(121)
Accountability and Provincial Standards	395	-	395	-	395	450	(55)
Corporate Administration	8,983	-	8,983	-	8,983	9,136	(153)
Alberta's Promise	975	-	975	-	975	678	297
Financial Support to Child and Family Research	2,000	-	2,000	-	2,000	2,800	(800)
	15,945	-	15,945	-	15,945	16,925	(980)
Services for Children and Families							
Program Support Services	37,924	-	37,924	-	37,924	36,608	1,316
Child Welfare	373,332	-	373,332	864	374,196	384,220	(10,024)
Children with Disabilities	72,409	-	72,409	-	72,409	67,087	5,322
Child Care	62,498	-	62,498	-	62,498	54,533	7,965
Early Intervention Services	50,394	-	50,394	-	50,394	44,891	5,503
Prevention of Family Violence	15,376	-	15,376	-	15,376	17,292	(1,916)
Protection of Children Involved in Prostitution	5,622	-	5,622	-	5,622	4,155	1,467
Other	2,220	-	2,220	-	2,220	1,847	373
Dedicated Revenue Shortfall (Schedule 2)	-	(3,504)	(3,504)	-	(3,504)	-	(3,504)
	619,775	(3,504)	616,271	864	617,135	610,633	6,502
Family and Community Support							
Family and Community Support Services	60,786	-	60,786	-	60,786	60,184	602
Community Capacity Building	10,399	-	10,399	-	10,399	12,427	(2,028)
	71,185	-	71,185	-	71,185	72,611	(1,426)
New Capital Investment	300	-	300	-	300	3,460	(3,160)
Total Voted Expenses	707,205	(3,504)	703,701	864	704,565	703,629	936
Statutory:							
Valuation Adjustments and Other Provisions	1,500	-	1,500	-	1,500	517	983
Total Expenses	$ 708,705	$ (3,504)	$ 705,201	$ 864	$ 706,065	$ 704,146	$ 1,919

(a) Adjustments include dedicated revenue shortfalls.

(b) Supplementary Estimate was approved on Dec 4, 2003. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*. The Supplementary Estimate of $864,000 was to provide one time funding to assist contracted agencies with operations and maintenance costs.

(c) The ministry has accrued achievement bonuses totalling $1,302,000 for management and opted out employees. This has been allocated to the relevant programs.

Related Party Transactions - Schedule 6

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The ministry had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	(In thousands)	
	2004	2003 (restated)
Revenues:		
Internal Government Transfers	$ 30,000	$ 25,000
Recovery from Ministry of Community Development Persons with Developmental Disabilities Board (PDD)	63	102
Recovery from Ministry of Human Resources and Employment	708	669
	$ 30,771	$ 25,771
Expenses:		
Ministry of Human Resources and Employment	$ 699	$ 763
Ministry of Community Development - PDD	7	-
Alberta Corporate Services Centre	16,538	16,928
Chief Internal Audit Office	53	-
Ministry of Infrastructure	32	25
Ministry of Innovation and Science	1,277	1,634
	$ 18,606	$ 19,350
Receivable from/(Payable to):		
Ministry of Community Development (Persons with Developmental Disabilities Board)	$ 51	$ (10)
Ministry of Agriculture	-	(2)
Ministry of Justice	-	(5)
Ministry of Human Resources and Employment	54	37
	$ 105	$ 20

The ministry receives services under contracts managed by the Ministry of Government Services (ACSC). Any commitments under these contracts are reported by the Ministry of Government Services (ACSC).

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

	(In thousands)	
	2004	2003
Expenses (notional):		
Accommodation	$ 17,870	$ 18,530
Legal Services	2,571	3,026
	$ 20,441	$ 21,556

Allocated Costs - Schedule 7

For the year ended March 31, 2004

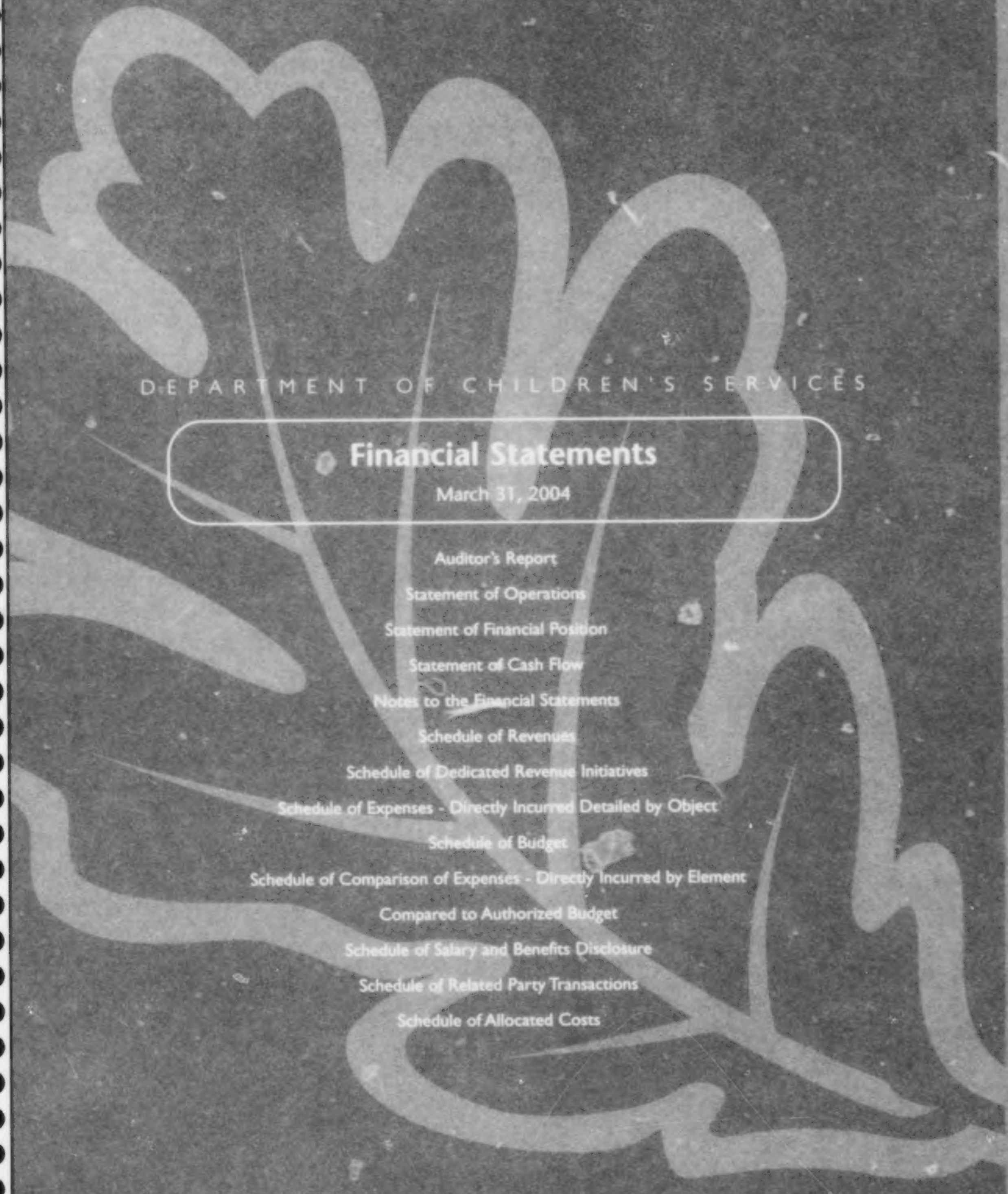
	(In thousands)						
	2004						2003 (restated - Note 8)
	Expenses - Incurred by Others			Valuation Adjustments[4]			
Program	Expenses[1]	Accommodation Costs[2]	Legal Services[3]	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry Support	$ 16,925	$ 751	$ -	$ 22	$ -	$ 17,698	$ 14,211
Services for Children and Families	610,633	16,643	2,571	478	3	630,328	591,475
Family and Community Support Services	72,611	476	-	14	-	73,101	73,885
	$ 700,169	$ 17,870	$ 2,571	$ 514	$ 3	$ 721,127	$ 679,571

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the ministry's buildings costs allocated by the number of authority employees per program.

(3) Costs for Legal Services, which were paid by Alberta Justice, were allocated in proportion to the expenses incurred by each program.

(4) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.



DEPARTMENT OF CHILDREN'S SERVICES

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule of Revenues
Schedule of Dedicated Revenue Initiatives
Schedule of Expenses - Directly Incurred Detailed by Object
Schedule of Budget
Schedule of Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget
Schedule of Salary and Benefits Disclosure
Schedule of Related Party Transactions
Schedule of Allocated Costs

department of children's services

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Minister of Children's Services

I have audited the statement of financial position of the Department of Children's Services as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department of Children's Services as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget (Schedule 4)	Actual	Actual (restated - Note 8b and 8c)
Revenues (Schedule 1)			
Transfers from Government of Canada	$ 139,657	$ 146,368	$ 105,983
Internal Government Transfers	30,000	30,000	25,000
Other	8,900	6,039	7,031
	178,557	182,407	138,014
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3, 4 and 5)			
Ministry Support Services	15,945	16,493	13,562
Services for Children and Families	620,733	614,761	582,150
Family and Community Support	64,846	63,787	61,503
	701,524	695,041	657,215
Statutory (Schedules 3, 4 and 5)			
Valuation Adjustments	1,500		
Vacation Pay		86	205
Doubtful Accounts		3	606
	1,500	89	811
Total Expenses	703,024	695,130	658,026
Net Operating Results	$ (524,467)	$ (512,723)	$ (520,012)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	2003 (restated - Note 8b and 8c)
Assets		
Cash	$ 171	$ 902
Accounts Receivable (Note 3)	12,382	14,154
Advances	412	412
Tangible Capital Assets (Note 4)	4,314	2,082
	$ 17,279	$ 17,550
Liabilities		
Accounts Payable and Accrued Liabilities	$ 24,857	$ 53,746
Net Liabilities		
Net Liabilities at Beginning of Year	(36,196)	(18,177)
Net Operating Results	(512,723)	(520,012)
Net Transfer from General Revenues	541,341	501,993
Net Liabilities at End of Year	(7,578)	(36,196)
	$ 17,279	$ 17,550

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004	2003 (restated - Note 8b and 8c)
Operating Transactions		
Net Operating Results	$ (512,723)	$ (520,012)
Non-Cash Items:		
Amortization	1,206	869
Valuation Adjustments	89	811
	(511,428)	(518,332)
Decrease (Increase) in Accounts Receivable(a)	1,769	(3,147)
Decrease in Advances	-	4
Increase (Decrease) in Accounts Payable(a)	(28,975)	21,408
Cash Applied to Operating Transactions	(538,634)	(500,067)
Capital Transactions		
Cash Applied to Acquisions of Tangible Capital Assets	(3,438)	(1,201)
Financing Transactions		
Net Transfer (to) from General Revenues	541,341	501,993
Increase (Decrease) in Cash	(731)	725
Cash, Beginning of Year	902	177
Cash, End of Year	$ 171	$ 902

(a) Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Department of Children's Services operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the Government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Other authoritative pronouncements, accounting literature and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(A) REPORTING ENTITY

The reporting entity is the Department of Children's Services, which is part of the Ministry of Children's Services and for which the Minister of Children's Services is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(B) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual method of accounting.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 8.

Assets

Financial assets of the Department are financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Net Liabilities

Net liabilities represent the difference between the value of assets held by the Department and its liabilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

Accounts receivable recorded as $12,382 and accounts payable and accrued liabilities of $24,857 in these financial statements are subject to measurement uncertainty. These amounts have been estimated based on information available at the time these financial statements were produced.

Note 3 Accounts Receivable

(In thousands)

	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 14,084	$ 2,035	$ 12,049	$ 13,618
Refunds from Suppliers	333	-	333	536
	$ 14,417	$ 2,035	$ 12,382	$ 14,154

Accounts receivable are unsecured and non-interest bearing.

Note 4 Tangible Capital Assets

(In thousands)

	2004				2003
	Estimated useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer/ Systems	5 – 10 years	$ 16,144	$ 11,830	$ 4,314	$ 2,082

New system development and enhancements are currently amortized over five years based on management estimates as to the useful lives of specific information systems.

Note 5 Commitments

At March 31, 2004, the Department has the following commitments:

	(In thousands) 2004	(In thousands) 2003
Long-term leases	$ 128	$ 133

The above commitments relate to vehicle leases. These leases will expire over the next three years.

The estimated annual payments for existing leases for the next five years are as follows:

(In thousands)	
2005	$ 70
2006	40
2007	18
2008	-
2009	-
	$ 128

Note 6 Contingencies (In thousands)

At March 31, 2004, the Department is a defendant in 72 legal claims (2003 - 80 legal claims). Sixty-one of these claims have specified amounts totaling $233,484 and the remaining nine have not specified any amount (2003 - 72 claims with a specified amount of $1,306,265 and eight with no specified amount).

Included in the total legal claims are thirty-seven claims amounting to $197,060 in which the Department has been jointly named with other entities. Forty-five claims amounting to $194,881 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 7 Defined Benefit Plans (In thousands)

The Department participates in the multi-employer pension plans, the Management Employees Pension Plan and the Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $1,823 for the year ending March 31, 2004 (2003 - $1,404).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 – deficiency of $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - actuarial deficiency of $175,528).

At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 – actuarial surplus of $6,472).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - actuarial deficiency of $14,434) and the Management, Opted Out and Excluded Plan an actuarial surplus of $1,298 (2003 - actuarial deficiency of $3,053). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 8 Program Transfers (In thousands)

a) Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the Child and Family Services Authorities to the Department of Children's Services. For the year ending March 31, 2003, the expenses and accrued liabilities relating to Women's Shelters are estimated at $11,665 and $128. There is no effect on the March 31, 2003 Statement of Operations, as the Department would have incurred the same cost through grants to Child and Family Services Authorities. However amounts related to this program are now reported in supplies and services expense instead of grants on Schedule 3.

b) Effective April 1, 2003, the Family and Native Court Worker program was transferred to Alberta Justice. Comparatives for 2003 in these financial statements have been restated as if Alberta Justice had delivered this program in 2002/2003.

Net operating results as previously reported for the year ended March 31, 2003	$	(520,971)
Add: program expenses	$	1,159
Restated net operating results for the year ended March 31, 2003	$	(519,812)
Net transfer from General Revenues as previously reported for the year ended March 31, 2003	$	502,952
Less: funding provided	$	(1,159)
Restated net transfer from General Revenues	$	501,793

c) Effective April 1, 2003, the Social Services Bursaries Program was transferred from the Department of Human Resources and Employment to the Department of Children's Services. For the period ending March 31, 2003, the expenses relating to this program amounted to $200. Comparatives for 2003 in these financial statements have been restated as if Alberta Children's Services had delivered this program in 2002/2003

Restated operating results as per b) above for the year ended March 31, 2003	$	(519,812)
Less: program expenses		(200)
Restated net operating results for the year ended March 31, 2003	$	(520,012)
Restated net transfer from General Revenues as per b) above for the year ended March 31, 2003	$	501,793
Add: funding for Social Services Bursaries		200
Restated net transfer from General Revenues	$	501,993

Note 9 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 10 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Revenues - Schedule I

For the year ended March 31, 2004

	2004 Budget (In thousands)	2004 Actual (In thousands)	2003 Actual (In thousands)
Transfers from Government of Canada			
Canada Health and Social Transfer	$ 108,707	$ 116,619	$ 79,897
Services to On-Reserve Status Indians	11,800	11,921	11,593
Child Welfare Special Allowance	19,150	17,828	14,493
	139,657	146,368	105,983
Internal Government Transfers			
Transfer from Lottery Fund	30,000	30,000	25,000
Other Revenue			
Refunds of Expenditure	8,500		
First Nations Agencies Recoveries		4,417	5,658
Other Refunds		1,442	1,152
Other	400	180	221
	8,900	6,039	7,031
Total Revenues	$ 178,557	$ 182,407	$ 138,014

Dedicated Revenue Initiatives - Schedule 2

For the year ended March 31, 2004

	(In thousands)		
	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)
Services to On-Reserve Status Indians	$ 18,300	$ 16,338	$ (1,962)
Parent / Guardian Maintenance Payments	400	180	(220)
Children Special Allowance	19,150	17,828	(1,322)
	$ 37,850	$ 34,346	$ (3,504)[1]

Services to On-Reserve Status Indians

Recoveries from the Government of Canada and from Delegated First Nation Agencies for children identified as ordinarily living on a reserve.

Parent / Guardian Maintenance Payments:

Recoveries from parents or guardians for children in care of the Government.

Children Special Allowance

Monthly benefits received from the Canada Customs and Revenue Agency for children in provincial care.

The revenues and expenses related to the dedicated revenue initiatives are included in the Ministry's revenue and expenses.

(1) Shortfall is deducted from the current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Expenses - Directly Incurred Detailed by Object - Schedule 3

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated – Note 8b and 8c)
Voted:			
Salaries, Wages and Employee Benefits	$ 17,268	$ 19,456	$ 17,217
Supplies and Services	91,247	73,554	59,521
Grants	591,933	600,734	579,516
Financial Transactions and Other	130	91	92
Amortization of Capital Assets	946	1,206	869
Total Voted Expenses	701,524	695,041	657,215
Statutory:			
Valuation adjustments	1,500		
Vacation pay		86	205
Doubtful accounts		3	606
Total Statutory Expenses	1,500	89	811
Total Expenses	$ 703,024	$ 695,130	$ 658,026

Budget - Schedule 4

For the year ended March 31, 2004

(In thousands)

	2003 - 2004 Estimates	Adjustments [a]	2003 - 2004 Budget	Authorized Supplementary [b]	2003 - 2004 Authorized Budget
Revenues					
Transfer from Government of Canada	$ 139,657	$ -	$ 139,657	$ -	$ 139,657
Internal Government Transfers	30,000	-	30,000	-	30,000
Other	8,900	-	8,900	-	8,900
	178,557	-	178,557	-	178,557
Expenses - Directly Incurred:					
Voted					
Ministry Support Services	15,945	-	15,945	-	15,945
Services to Children and Families	620,733	-	620,733	864	621,597
Family and Community Support	64,846	-	64,846	-	64,846
Dedicated Revenue Shortfall (Schedule 2)	-	(3,504)	(3,504)	-	(3,504)
	701,524	(3,504)	698,020	864	698,884
Statutory					
Valuation Adjustments	1,500	-	1,500	-	1,500
Doubtful Accounts					
Vacation Pay					
	1,500	-	1,500	-	1,500
Total Expenses	703,024	(3,504)	699,520	864	700,384
Net Operating Results	$ (524,467)	$ 3,504	$ (520,963)	$ (864)	$ (521,827)
Capital Investment	$ 300	$ -	$ 300	$ -	$ 300

(a) Adjustments include dedicated revenue shortfalls.

(b) Supplementary Estimate was approved on Dec 4, 2003. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*. The Supplementary Estimate of $864,000 was to provide one time funding to assist contracted agencies with operations and maintenance costs.

Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget - Schedule 5

For the year ended March 31, 2004

(In thousands)

	2003-2004 Estimates	Adjustment	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual Expense	Unexpended (Over Expended)
Voted:							
Ministry Support Services							
Minister's Office	$ 300	$ -	$ 300	$ -	$ 300	$ 299	$ 1
Deputy Minister's Office	380	-	380	-	380	380	-
Office of the Children's Advocate	2,000	-	2,000	-	2,000	2,148	(148)
Partnership, Aboriginal Support, and Intergovernmental Relations	912	-	912	-	912	936	(24)
Accountability and Provincial Standards	395	-	395	-	395	450	(55)
Corporate Administration	8,983	-	8,983	-	8,983	8,802	181
Alberta's Promise	975	-	975	-	975	678	297
Financial Support to Child and Family Research	2,000	-	2,000	-	2,000	2,800	(800)
	15,945	-	15,945	-	15,945	16,493	(548)
Services for Children and Families							
Program Support							
Program Support	35,851	-	35,851	-	35,851	36,687	(836)
Alberta Response Model Implementation	1,890	-	1,890	-	1,890	713	1,177
Social Care Facilities Review Committee	310	-	310	-	310	374	(64)
Child Welfare Act Review	-	-	-	-	-	-	-
Provincial Programs							
Corporate Adoption Services	710	-	710	-	710	970	(260)
Protection of Children Involved in Prostitution	5,622	-	5,622	-	5,622	4,154	1,468
Early Childhood Development Initiatives	15,853	-	15,853	-	15,853	8,454	7,399
Youth in Care Transition to Independent Living	1,250	-	1,250	-	1,250	637	613
Prevention of Family Violence	15,376	-	15,376	-	15,376	14,773	603
Fetal Alcohol Initiative	2,350	-	2,350	-	2,350	1,178	1,172
Siksika Family Services Corporation	2,230	-	2,230	-	2,230	2,530	(300)
Financial Support to Child and Family Services Authority							
Region 1 - South	25,793	-	25,793	-	25,793	26,882	(1,089)
Region 2 - South East	14,566	-	14,566	-	14,566	14,704	(138)
Region 3 - Calgary and Area	148,946	-	148,946	-	148,946	150,316	(1,370)
Region 4 - Central	44,242	-	44,242	-	44,242	46,587	(2,345)
Region 5 - East Central	12,582	-	12,582	-	12,582	12,780	(198)
Region 6 - Edmonton and Area	203,875	-	203,875	-	203,875	208,326	(4,451)
Region 7 - North Central	31,342	-	31,342	-	31,342	30,577	765
Region 8 - North West	24,881	-	24,881	-	24,881	25,555	(674)
Region 9 - North East	8,293	-	8,293	-	8,293	8,910	(617)
Metis Settlements	4,035	-	4,035	-	4,035	4,253	(218)
Assembly of Co-Chairs	536	-	536	-	536	139	397
Services on First Nations Reserves	19,800	-	19,800	-	19,800	15,262	4,538
Parent/Guardian Maintenance Payments	400	-	400	-	400	-	400
Contracted Agencies - Operations and Maintenance	-	-	-	864	864	-	864
Dedicated Revenue Shortfall (Schedule 2)	-	(3,504)	(3,504)	-	(3,504)	-	(3,504)
	620,733	(3,504)	617,229	864	618,093	614,761	3,332
Family and Community Support Services							
Program Support	182	-	182	-	182	369	(187)
Financial Assistance to Communities and Organizations							
- Operating Expense	30,604	-	30,604	-	30,604	29,736	868
- Operating Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-
Community Capacity Building	3,752	-	3,752	-	3,752	3,480	272
Youth Secretariat	308	-	308	-	308	202	106
	64,846	-	64,846	-	64,846	63,787	1,059
New Capital Investment	300	-	300	-	300	3,438	(3,138)
Total Voted Expenditures	701,824	(3,504)	698,320	864	699,184	698,479	705
Statutory:							
Valuation Adjustment	1,500	-	1,500	-	1,500	89	1,411
Total Expenses	$ 703,324	$ (3,504)	$ 699,820	$ 864	$ 700,684	$ 698,568	$ 2,116

(a) Adjustments include dedicated revenue shortfalls.

(b) Supplementary Estimate was approved on Dec 4, 2003. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*. The Supplementary Estimate of $864,000 was to provide one time funding to assist contracted agencies with operations and maintenance costs.

(c) The Department has accrued achievement bonuses totalling $737,000 for management and opted out employees. This has been allocated to the relevant programs.

DEPARTMENT OF CHILDREN'S SERVICES

Salary and Benefits Disclosure - Schedule 6

For the year ended March 31, 2004

	(In thousands)				
	2004				2003
	Salary[1]	Other Cash Benefits[2]	Other Non-Cash Benefits[3]	Total	Total
Senior Officials					
Deputy Minister[4]	$ 153	$ 30	$ 36	$ 219	$ 225
Assistant Deputy Ministers					
Strategy and Support Services	$ 128	$ 19	$ 29	$ 176	$ 166
Community Strategies	$ 128	$ 19	$ 29	$ 176	$ 168
Service Quality[5]	$ 120	$ 18	$ 25	$ 163	$ 155
Children's Advocate	$ 98	$ 18	$ 15	$ 131	$ 121

Total salary and benefits relating to a position are disclosed.

---

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.

(3) Other non cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long term disability plans.

(4) Automobile provided, no dollar amount included in benefits and allowance figures.

(5) The position was vacant for the month of April. The incumbent was acting from May 1, 2003 to October 31,2003. He was appointed to this position as of November 1st. Salary and Benefits is for the period May 1, 2003 to March 31, 2004.

Related Party Transactions - Schedule 7

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues:				
Internal Government Transfers	$ -	$ -	$ 30,000	$ 25,000
Expenses:				
Grants to Child and Family Services Authorities (CFSAs)	528,890	514,554	-	-
Grants to CFSAs re Parental Contributions	169	205	-	-
Reimbursements - First Nations Services (CFSAs)	14,662	18,583	-	-
Alberta Corporate Service Centre	-	-	16,431	16,816
Chief Internal Audit Office	-	-	53	-
Ministry of Alberta Infrastructure	-	-	32	25
Ministry of Human Resources & Employment	-	-	695	763
Ministry of Innovation & Science	-	-	1,277	1,634
	$ 543,721	$ 533,342	$ 18,488	$ 19,238
Receivable from/(Payable to):				
Child and Family Services Authorities	$ (14,429)	$ (13,603)	$ -	$ -

The Department receives services under contracts managed by the Department of Government Services (ACSC). Any commitments under these contracts are reported by the Department of Government Services (ACSC).

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

	(In thousands)	
	Other Entities	
	2004	2003
Expenses (notional):		
Accommodation	$ 1,452	$ 1,893
Legal Services	395	263
	$ 1,847	$ 2,156

Allocated Costs - Schedule 8

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
	Expenses - Incurred by Others			Valuation Adjustments(5)			
Program	Expenses(1,2)	Accommodation Costs(3)	Legal Services(4)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses (restated - Note 8b and 8c)
Ministry Support	$ 16,493	$ 592	$ -	$ 35	$ -	$ 17,120	$ 14,327
Services for Children and Families	614,761	669	395	40	3	615,868	584,273
Family and Community Support Services	63,787	191	-	11	-	63,989	61,582
	$ 695,041	$ 1,452	$ 395	$ 86	$ 3	$ 696,977	$ 660,182

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

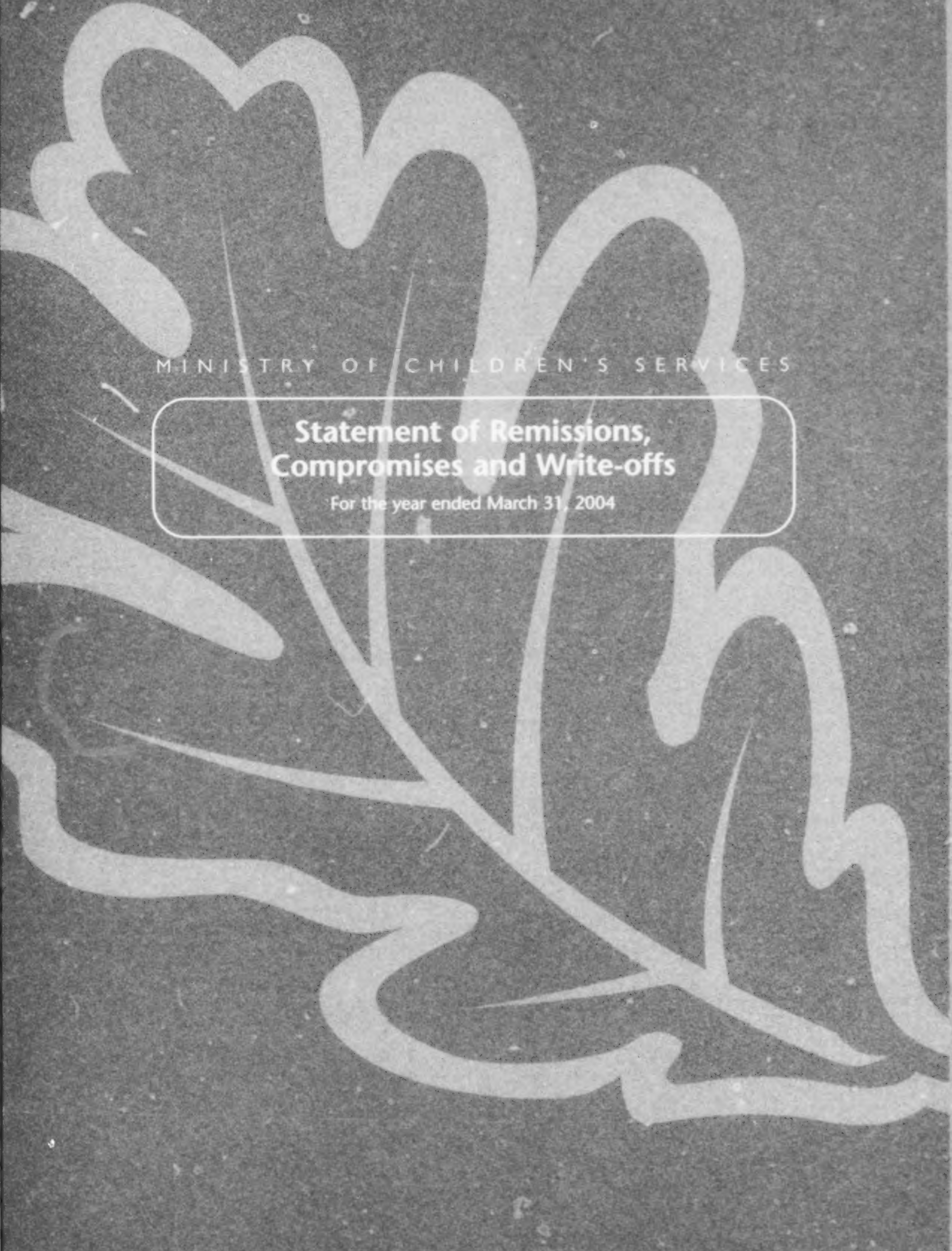
(2) Expenses include administration costs totaling $3,483 (2003 - $4,793) for financial, human resources, and administrative services, which were provided by the Alberta Corporate Service Centre to the Child and Family Service Authorities but paid by the Department of Children's Services. The Child and Family Service Authorities Allocated Costs schedules include the administration costs paid on their behalf by the Department of Children's Services.

(3) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the buildings costs allocated by the number of employees per program.

(4) Costs for Legal Services, which were paid by Alberta Justice, were allocated in proportion to the expenses incurred by each program.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.

appendices



MINISTRY OF CHILDREN'S SERVICES

Statement of Remissions, Compromises and Write-offs

For the year ended March 31, 2004

Statement of Remissions, Compromises and Write-offs

Children's Services Statement of Remissions, Compromises and Write-offs

For the year ended March 31, 2004

Statement of Remissions, Compromises and Write-offs

The following statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs the Ministry of Children's Services made or approved during the fiscal year.

	(In thousands) **2004**
Remissions under section 26 of the *Financial Administration Act*:	$ -
Compromises under section 27 of the *Financial Administration Act*:	$ -
Bankruptcies	$ 26
Write-offs:	
Daycare Subsidy Program	$ 202
Foster Parents Program	2
Delegated First Nation Agencies	277
	$ 481
Total	$ 507

Note: This schedule is supplementary information only, and not part of the audited financial statements.

appendix 1:

GLOSSARY OF TERMS

Adoptive Care – Permanent family, legal guardianship rest with adoptive parents. Contact with birth family is dictated by terms of adoption; open or closed adoption.

Annual Report – A document produced by government ministries reporting on progress made during the past fiscal year and measuring the performance of all facets of the organization against goals set out in the ministry business plan.

Business Plan – A strategic document created to give direction to an organization. It presents a clear vision of the overall goals of the organization and outlines how the performance of the organization will be measured.

Children in Care – Children who have been deemed in need of protection, requiring state intervention, as determined by provincial legislation.

Child Protection Services – Delegated authorities empowered to provide mandated intervention, based upon legislated definitions of children in need of protection; i.e. children exposed to maltreatment, suspected or confirmed child abuse or neglect.

Differential Response – a new approach to case management under the Alberta Response Model (ARM), helps in identifying vulnerable children and families early and mobilizing the necessary support services before a crisis occurs. Those children at lower risk, along with their families, will be supported and strengthened through their community or neighbourhood network. This will help more parents fulfill their natural role and responsibilities as caregivers for their children.

Early Childhood Development Strategy (ECD) – a cross-ministry initiative between Children's Service, Learning, and Health and Wellness. The goal of this strategy is to provide a range of health, social and learning programs and services for parents, families, and children from preconception to age six, to ensure that children get the best start in life. It is intended that investments in early childhood initiatives will strengthen parents' capacity to meet the needs of their children and to promote optimal child development.

Family and Community Support Services (FCSS) – a 80/20 funding partnership between the province and communities of municipalities and Metis Settlements. Under FCSS, communities design and deliver preventative social programs to promote and enhance well-being among individuals, families, and communities. The programs depend on community resources, often involving volunteers in management and delivery.

Family Enhancement - Family Enhancement is a service delivered to a family that is having problems but is at a lower risk for abuse and neglect and more intrusive child protection investigation is not needed. CFSA staff will identify the needs of the child and the strengths of the family, the extended family and the community. The family will then be put in touch with the relevant community-based services to help them meet the needs of the child/children involved.

Family Group Conferencing – brings together members of an individual's extended family and significant people in their community to collaborate on a plan to support the individual through their family crises towards a long-term solution. The agreed upon plan must be approved by a child welfare worker. At the same time, participants also agree on a concurrent plan: an option for permanent placement of children should the individual not be able to follow through on the agreed upon course of action.

Fetal Alcohol Spectrum Disorder (FASD) – formerly referred to as Fetal Alcohol Syndrome. FASD is a recognized medical condition often including social, physical, learning, and developmental birth defects in children whose mothers drank alcohol when they were pregnant

Foster Care – Provision of care by a family, other than a parent or guardian of a child, approved and arranged by a child welfare authority, to provide care and supervision of a child in care.

Group Care – Non-family based group care (staffed), usually limited to six to nine residents in a home/facility.

Home Visitation – an Early Childhood Development (ECD) program where one-on-one support is provided in the family home to enhance parenting skills, provide information on child development, promote child health and other aspects of positive family functioning.

Kinship Care - family relatives provide for the child, arranged through a child protection service provider.

Permanency – One of Children's Services main objectives is to see children who are in permanent government care adopted as quickly as possible into a stable, nurturing environment, preferably in a family setting. As part of the Alberta Response Model (ARM), the child and family services authorities will begin planning for permanency earlier when a child comes into care.

Permanency Planning – provides a goal-oriented, systematic process for placing children as quickly as possible into suitable family settings. This will provide continuity of relationships with parents or caregivers, and the opportunity to develop lifetime relationships. For those families welcoming children and youth into their family unit, the appropriate supports are available to them.

Preservation – Children's Services is responsible for providing family supports whenever families are perceived to be at risk. Preservation of the family unit is part of Children's Services vision for the future.

Residential Treatment Care – Facility with common treatment focus providing prescribed, often time-limited large-group care. Focus may be on specific maladjustment behaviours, mental health conditions, young offenders, youth, children.

appendix 2:

PERFORMANCE MEASURES - DATA SOURCES AND METHODOLOGY

Child Welfare Information System (CWIS) - The system provides client-tracking capability (e.g., outcome of child protection investigation, placement type, legal authority, etc.) as well as documentation support for the five programs under the *Child Welfare Act*: child protection, adoptions, placement resources, unmarried parents, post adoption support, and protection of children involved in prostitution (PChIP Act). CWIS is the data source for a number of the performance measures. Note: several of the performance measures address results for aboriginal children. These results are tabulated from information in CWIS where the racial origin of a child is identified. Approximately 14 per cent of all open cases in CWIS did not specify racial origin and therefore, these results may not include the actual number of aboriginal children.

Child Care Information System (CCIS) - CCIS contains all pertinent information about licensed social care facilities in Alberta. Child Care Specialists use this system to maintain current information about the licensing and monitoring of all licensed social care facilities including day care centres. CCIS also contains all data related to the Child Care Subsidy Program, Child Care Accreditation, Staff Qualifications Program, Claims Process, and Family Day Home Program.

National Longitudinal Survey of Children and Youth (NLSCY) - This survey is a long-term study developed and maintained by Human Resources Development Canada (HRDC) and Statistics Canada. The survey collects information on a variety of areas, including the child's health, development, behaviour, family, and child care setting or school they attend. The survey follows a representative sample of children, who were aged 0-11 years at the first cycle of the study (1994-95), and collects information on these children at two-year intervals, and will continue to until they reach adulthood. In each subsequent two year cycle, as the initial cohort of children gets older, an additional sample of children, aged newborn to under two years is added. Households for the sample are selected from the Labour Force Survey sampling frame. Data collection is carried out by Statistics Canada, using computer-assisted interviewing, either in person or by telephone, self-completed questionnaires, tests, and interviewer-completed evaluation instruments. The last interval of data collection (Cycle 4) took place from September 2000 to May 2001. The survey results are weighted to the population of children in the jurisdiction. The performance measure results reported meet Statistics Canada acceptable standard of reporting for comparison between Alberta and Canada in terms of sample size and variance of responses. An acceptable standard means that the sample size used was 30 or more cases with a low coefficient of variation (between 0 - 16.5 per cent). For all three measures, a cut off point or threshold was established using the national sample to identify children displaying or not displaying the level of behaviour or attribute being measured.

Women's Emergency Shelter Outcomes Exit Survey - This survey was designed in 2002-03 and implemented in September 2002 to measure the impact of shelter services for all abused women who were at the end of their stay at Children's Services funded women's emergency shelters. A questionnaire was used in this survey. All abused women were asked to participate in the survey on exit from the shelter. In 2003-04, the total number of abused women with or without dependents admitted to and discharged from women's emergency shelters across the province was 3738; the total number of valid responses to the survey questionnaire was 2074. This constitutes a survey response rate of 55.48 per cent. This response rate represents a sample well within the confidence interval of +/-5 per cent, 19 times out of 20 for margin of error.

appendix 3:

CHILD WELFARE APPEAL PANEL

THE *CHILD WELFARE ACT* PROVIDES FOR administrative appeals of certain child welfare decisions made by a Child and Family Services Authority. Such appeals are heard by the Child Welfare Appeal Panel. The following is a summary of Child Welfare Appeal Panel decisions for the 2003-04 fiscal year, one for Child Welfare appeals, and the other for Handicapped Children's Services (Resources for Children with Disabilities) appeals.

Child Welfare Appeals 2003/04

Child Welfare		Handicapped Children's Services	
Number received	107	Number received	93
Number Scheduled	66	Number Scheduled	73
Reversed	9	Reversed	6
Confirmed	5	Confirmed	32
Varied	2	Varied	-
Withdrawn/Abandoned	53	Withdrawn/Abandoned	25
No Jurisdiction	17	No Jurisdiction	4
Hold/Pending	13	Hold/Pending	18

appendix 4:

CHILD AND FAMILY SERVICES AUTHORITIES DIRECTORY

Southwest Alberta Child and Family Services, Region 1
#107, 3305 – 18 Avenue North Lethbridge,
AB. T1H 5S1
Phone: 403-381-5543
Fax: 403-381-5608
CEO: Gord Johnston
Co-Chair: Sharon Holtman
Co-Chair: Robert Bartlett

Southeast Alberta Child and Family Services, Region 2
#101, 346 – 3rd Street S.E. Medicine Hat, AB. T1A 0G7
Phone: 403-529-3753
Fax: 403-528-5244
CEO: Bryan Heninger
Co-Chair: Kathy Cooper
Co-Chair: Dr. Harold Storlein

Calgary and Area Child and Family Services, Region 3
2nd Floor, 1011 – 6 Avenue S.W.
Calgary, AB. T2P 0W1
Phone: 403-297-8080
Fax: 403-297-7214
CEO: Bonnie Johnston
Co-Chair: Art Cunningham
Co-Chair: David Pickersgill

Central Alberta Child and Family Services, Region 4
3rd Floor, Bishop Place 4826 Ross Street
Red Deer, AB. T4N 1X4
Phone: 403-341-8642
Fax: 403-341-8654
CEO: Mark Hattori
Co-Chair: Sarah Schug
Co-Chair: Robert Reimer

East Central Alberta Child and Family Services, Region 5
Box 300, 4811 – 49th Avenue Killam, AB. T0B 2L0
Phone: 780-385-7160
Fax: 780-385-7163
CEO: David Wilson
Co-Chair: Corrine Miller
Co-Chair: Lois Byers

Edmonton and Area Child and Family Services, Region 6
7th Floor, Oxbridge Place,
9820 - 106 Street
Edmonton, AB. T5K 2J6
Phone: 780-427-2250
Fax: 780-422-6864
CEO: Donna Mah
Co-Chair: Joseph (Archie) Arcand
Co-Chair: Richard Frey

North Central Alberta Child and Family Services, Region 7

2nd Floor, 10004 – 107 Street
Westlock, AB. T7P 2K8
Phone: 780-349-5478
Fax: 780-349-5603
CEO (Acting): Russ Pickford
Co-Chair: Alice Reid
Co-Chair: Hansa Thaleshvar

Northwest Alberta Child and Family Services, Region 8

3001 – 10320 – 99 Street
Grande Prairie, AB. T8V 6J4
Phone: 780-538-5122
Fax: 780-538-5137
CEO: Carole Anne Patenaude
Co-Chair: Dianne Lavoie
Co-Chair: Cindy Nylander

Northeast Alberta Child and Family Services, Region 9

4th Floor, Provincial Bldg. 9915 Franklin Avenue.
Fort McMurray, AB. T9H 2K4
Phone: 780-743-7461
Fax: 780-743-7474
CEO: Lori Cooper
Co-Chair: Merle Rudiak
Co-Chair: Mike Noon

Metis Settlement Child and Family Services, Region 10

Room 412, Mayfield Business Centre
10525 – 170 Street
Edmonton, AB. T5P 4W2
Phone: 780-427-1033
Fax: 780-415-0177
CEO: Lillian Parenteau
Co-Chair: Laurie Thompson
Co-Chair: Deborah Andrews

appendix 5:
ALPHABETICAL LIST OF GOVERNMENT OF ALBERTA ENTITIES FINANCIAL STATEMENTS

Alphabetical List Of Entities' Financial Statements In Ministry 2003-04 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	**Ministry Annual Report**
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board[2]	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance

---

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

[2] Dissolved August 1, 2003

[3] Ministry includes only the departments so separate department financial statements are not necessary.

Ministry, Department, Fund or Agency	Ministry Annual Report
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[3]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[3]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[3]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[3]	Executive Council
Ministry of Gaming	Gaming

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Government Services[3]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[3]	Human Resources and Employment
Ministry of Infrastructure[3]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[3] Relations	International and Intergovernmental
Ministry of Justice[3]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[3]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[3]	Transportation

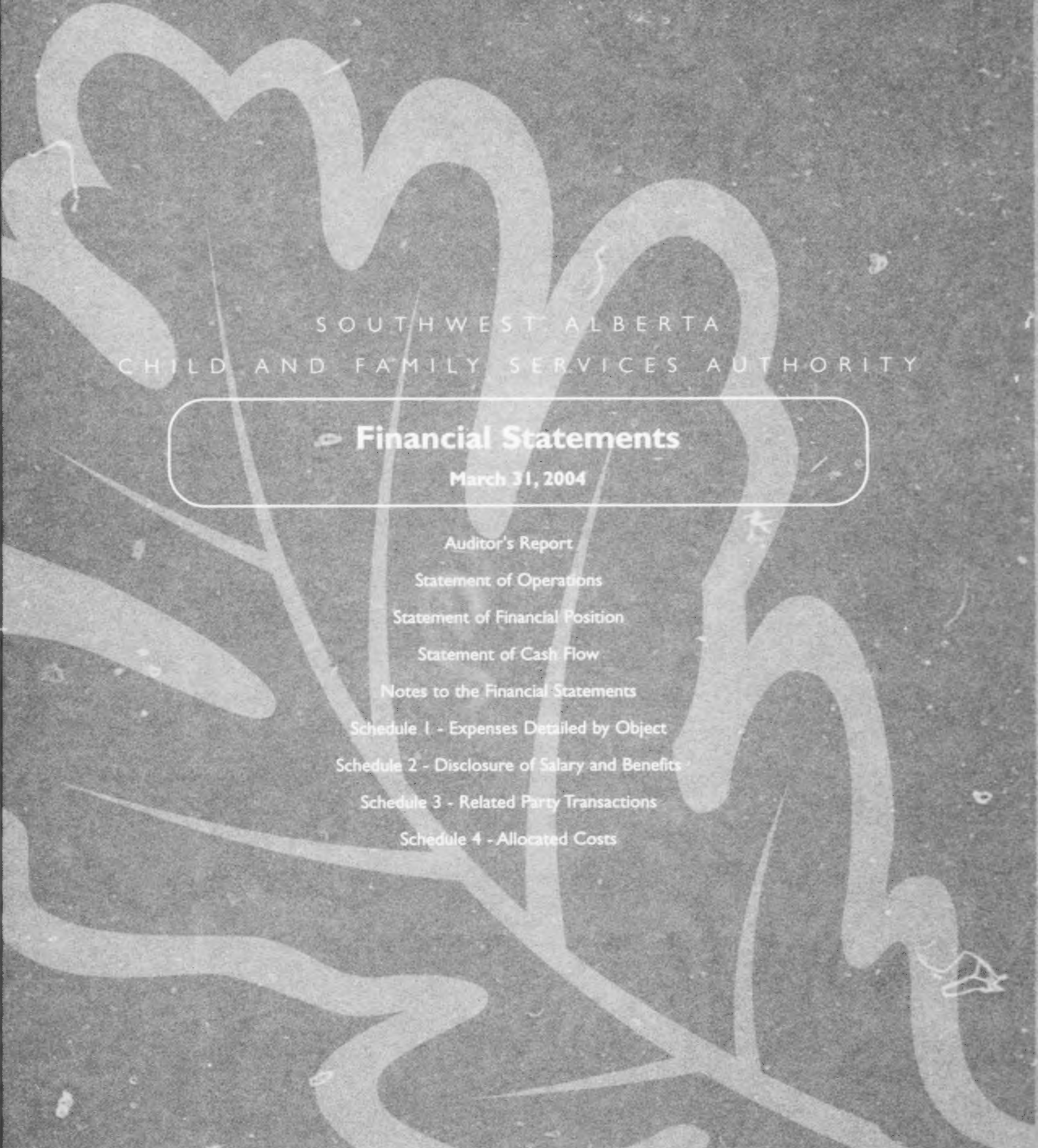
Ministry, Department, Fund or Agency	Ministry Annual Report
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan	
Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	**Ministry Annual Report**
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan- Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan- Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board Resources and Employment	Human

financial statements

CFSA FINANCIAL STATEMENTS



SOUTHWEST ALBERTA

CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 - Expenses Detailed by Object

Schedule 2 - Disclosure of Salary and Benefits

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs

southwest alberta child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Southwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 13, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 5)	$ 25,793	$ 26,882	$ 25,635
Recoveries - First Nation Reserves	4,063	1,004	4,368
Recoveries - Inter-Authority Services	325	233	345
Miscellaneous Revenue (Note 8)	-	231	232
	30,181	28,350	30,580
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	126	94	102
Management and Program Support	914	770	988
Community Coordination	185	127	208
Services to Children and Families:			
Child Welfare	19,203	17,843	18,601
Child Financial Support	173	202	186
Services to Children with Disabilities	4,067	3,726	3,606
Child Care	3,303	3,271	3,317
Early Intervention	1,474	1,016	1,487
Prevention of Family Violence (Note 10)	-	146	937
Mentoring for Parents	341	577	341
Fetal Alcohol Initiatives	70	545	199
Inter-Authority Services	325	233	345
Valuation Adjustment:			
Vacation Pay (Note 2)	-	(1)	22
	30,181	28,549	30,339
Net Operating Results	$ -	$ (199)	$ 241

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	(In thousands) 2003
Assets		
Cash	$ 1,278	$ 1,177
Accounts Receivable (Note 6)	757	1,183
	$ 2,035	$ 2,360
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 1,816	$ 1,942
Net Assets		
Net Assets at Beginning of Year	418	177
Net Operating Results	(199)	241
Net Assets at End of Year	219	418
	$ 2,035	$ 2,360

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004	2003
Operating Transactions:		
Net Operating Results	$ (199)	$ 241
Non-Cash Items:		
Vacation Pay	(1)	22
	(200)	263
Decrease in Accounts Receivable	426	22
Increase (Decrease) in Accounts Payable and Accrued Liabilities[a]	(125)	141
Cash Provided by Operating Transactions	101	426
Cash, Beginning of Year	1,177	751
Cash, End of Year	$ 1,278	$ 1,177

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Southwest Alberta Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer, all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Southwest Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Directly incurred costs include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and employees assigned to the Authority by the Department of Children's Services, and

- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivables, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $30,181 on June 4, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $757 and $1,816 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using an analysis of the time lags trends of the current year expenditures as well as management input. The actual amount could vary significantly from that estimated.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, Sun Country Child and Family Services Authority was renamed to Southwest Alberta Child and Family Services Authority. The authority's boundaries were unaffected by this change.

Note 4 Blood Tribe Delegation

Effective June 9, 2003 the ministry granted delegation of child protection services to the Blood Tribe. These services involve Blood Tribe children formerly under the delegation of Southwest Alberta Child and Family Services Authority. This has decreased child welfare expenditures and First Nations Recovery revenues, the financial impact of which is recorded in these statements.

Note 5 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 25,793
Additional funding for the current year	1,089
Grant for the year	$ 26,882

Note 6 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, and the remaining transactions are with external parties.

	(In thousands) 2004	2003
Department of Children's Services	$ 573	$ 1,089
Child and Family Services Authorities	9	37
Refunds from Suppliers	175	57
	$ 757	$ 1,183

Note 7 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Trade Payable	$ 1,055	$ 1,173
Department of Children's Services	11	6
Child and Family Services Authorities	-	12
Accrued Vacation Pay	750	751
	$ 1,816	$ 1,942

Note 8 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands)	
	2004	2003
Delegated Band revenue	$ 200	$ -
Other miscellaneous revenue	15	18
Previous year over accrual	16	214
	$ 231	$ 232

Note 9 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	2003
Long-term leases[a]	$ 132	$ 249

(a) The authority leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(In thousands)	
2005	$ 74
2006	$ 43
2007	$ 15

Note 10 Program Change (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the Authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter revenues, accrued receivables, expenses and accrued liabilities included in these financial statements are estimated at $53, $4, $25 and $1 respectively.

Note 11 Contingencies (In thousands)

At March 31, 2004, the authority is involved in one claim either directly as a named defendant or peripherally as the authority with management responsibility when the incident giving rise to the claim occurred (2003 – one legal claim). The claim has a specified amount totaling $1,300 (2003 – one with no specified amount). The claim amounting to $1,300 is covered by the Alberta Risk Management and Insurance Fund. The resulting loss, if any, from these claims cannot be determined.

Note 12 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 13 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Manpower[a]	$ 8,095	$ 8,398	$ 8,886
Supplies and Services	18,700	17,295	18,614
Grants	3,061	3,024	3,051
Inter-Authority Services	325	233	345
Other	-	(1)	22
	30,181	28,949	30,918
Less: Recovery from Alberta Health and Wellness	-	(400)	(579)
	$ 30,181	$ 28,549	$ 30,339

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes $27,000 (2003 -$27,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

	(In thousands)				
	2004				2003
	Base Salary(1)	Other Cash Benefits(2)	Other Non-cash Benefits(3)	Total	Total
Co-Chair of the Authority	$ -	$ 21	$ -	$ 21	$ 19
Co-Chair of the Authority	$ -	$ 16	$ -	$ 16	$ 20
Board Members (8 members)	$ -	$ 46	$ -	$ 46	$ 45
Chief Executive Officer(4)	$ 104	$ 10	$ 22	$ 136	$ 153

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) As a result of the transition from 18 to 10 Child and Family Services Authorities effective April 1, 2003, the Chief Executive Officer of Southeast Alberta Child and Family Services Authority operated as the transitional Chief Executive Officer for both Southeast Alberta and Southwest Alberta Child and Family Services Authorities. While the schedule above includes the full salary and benefits of the transitional CEO for the year, the authority only paid 50% of the Salary and Benefits.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues:				
Grant from the Department of Children's Services	$ 26,882	$ 25,635	$ -	$ -
Recoveries - First Nation Reserves	1,004	4,368	-	-
Recoveries - Inter-Authority Services	233	345	-	-
Prior Year Revenue - Inter Authority Services	2	12	-	-
	$ 28,121	$ 30,360	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ -	$ 97	$ -	$ -
Alberta Corporate Service Centre	-	-	12	-
Department of Children's Services	404	397	-	-
	$ 404	$ 494	$ 12	$ -
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 562	$ 1,083	$ -	$ -
Southeast Child and Family Services Authority	-	(11)	-	-
Calgary & Area Child and Family Services Authority	9	14	-	-
Northwest Child and Family Services Authority	-	22	-	-
Alberta Human Resources and Employment	-	-	1	-
Persons with Developmental Disabilities	-	-	(5)	(10)
	$ 571	$ 1,108	$ (4)	$ (10)

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003
Expenses (notional):		
Accommodation	$ 675	$ 757
Administrative	360	468
Legal Services	2	2
	$ 1,037	$ 1,227

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	**Expenses[1]**	**Accommodation Costs[2]**	**Administration Costs[3]**	**Legal Services[4]**	**Vacation Pay[5]**	**Total Expenses**	**Total Expenses**
Program Support	$ 991	$ 44	$ 360	$ -	$ -	$ 1,395	$ 1,819
Child Welfare	17,843	560	-	2	(1)	18,404	19,218
Child Financial Support	202	-	-	-	-	202	186
Services to Children with Disabilities	3,726	27	-	-	-	3,753	3,636
Child Care	3,271	33	-	-	-	3,304	3,350
Early Intervention	1,016	-	-	-	-	1,016	1,523
Prevention of Family Violence	146	11	-	-	-	157	949
Mentoring for Parents	577	-	-	-	-	577	341
Fetal Alcohol Initiatives	545	-	-	-	-	545	199
Inter-Authority Services	233	-	-	-	-	233	345
	$ 28,550	$ 675	$ 360	$ 2	$ (1)	$ 29,586	$ 31,566

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

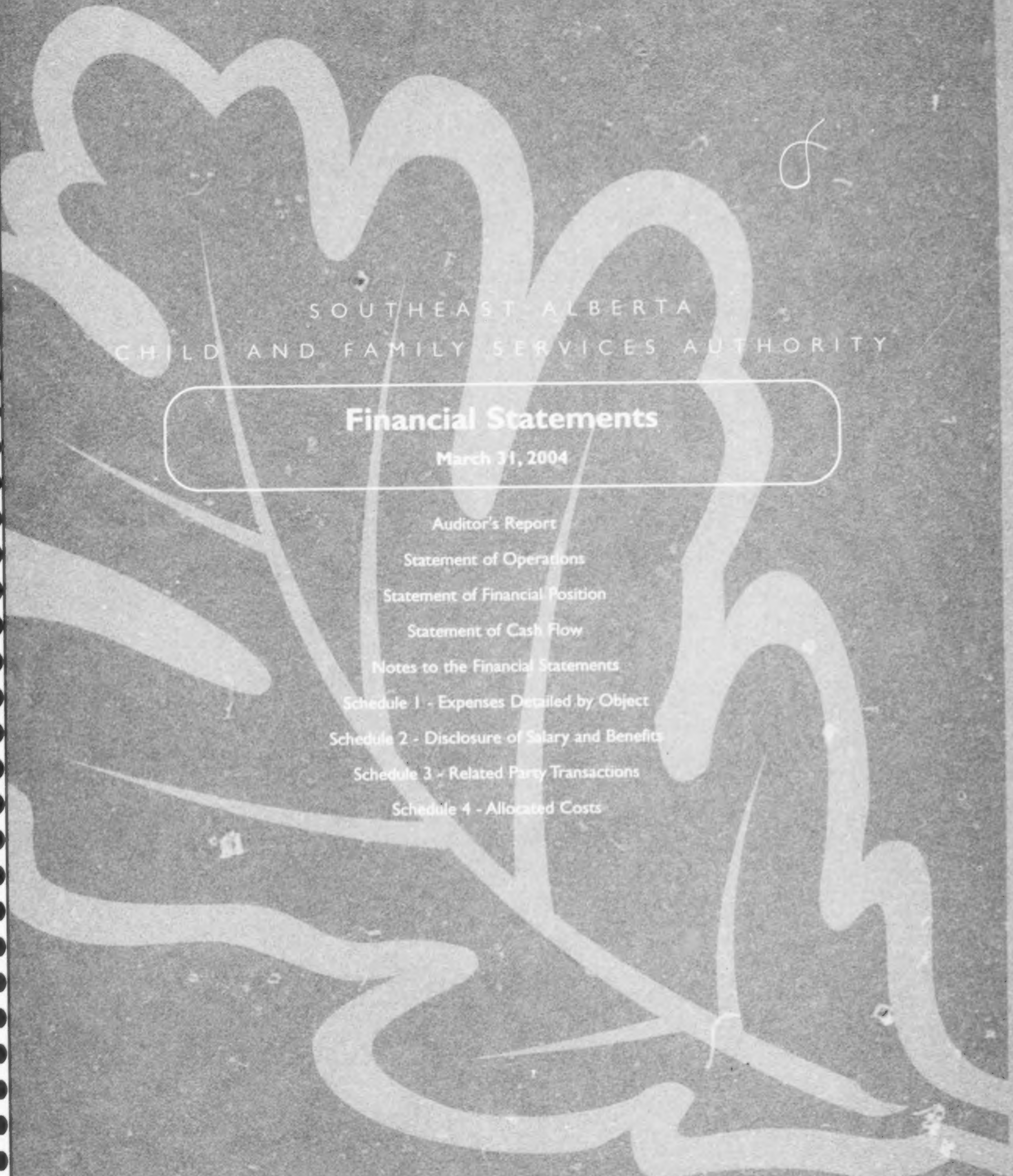
(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.

8



SOUTHEAST ALBERTA
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule 1 - Expenses Detailed by Object
Schedule 2 - Disclosure of Salary and Benefits
Schedule 3 - Related Party Transactions
Schedule 4 - Allocated Costs

southeast alberta child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Southeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
April 30, 2004

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 14,566	$ 14,704	$ 14,579
Recoveries - First Nation Reserves	10	8	22
Recoveries - Inter-Authority Services	20	-	20
Miscellaneous Revenue (Note 7)	-	53	18
	14,596	14,765	14,639
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	34	37	37
Management and Program Support	758	542	754
Child Welfare	8,168	8,879	7,906
Child Financial Support	84	109	75
Services to Children with Disabilities	1,762	1,341	1,465
Child Care	2,159	2,203	2,171
Early Intervention	1,320	1,306	1,297
Prevention of Family Violence (Note 9)	-	-	510
Mentoring for Parents	213	220	181
Fetal Alcohol Initiatives	78	78	39
Inter-Authority Services	20	-	20
Valuation Adjustment:			
Vacation Pay (Note 2)	-	30	28
	14,596	14,745	14,483
Net Operating Results	-	$ 20	$ 156

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	(In thousands) 2003
Assets		
Cash	$ 981	$ 893
Accounts Receivable (Note 5)	354	348
	$ 1,335	$ 1,241
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 987	$ 913
Net Assets		
Net Assets at Beginning of Year	328	172
Net Operating Results	20	156
Net Assets at End of Year	348	328
	$ 1,335	$ 1,241

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004	2003
Operating Transactions:		
Net Operating Results	$ 20	$ 156
Non-Cash Items:		
Vacation Pay	30	28
	50	184
Decrease (Increase) in Accounts Receivable	(6)	25
Increase (Decrease) in Accounts Payable and Accrued Liabilities[a]	44	40
Cash Provided by (applied to) Operating Transactions	88	249
Cash, Beginning of Year	893	644
Cash, End of Year	$ 981	$ 893

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Southeast Alberta Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer, all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Southeast Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements that are restricted, are recognized in the year when the related expenses are incurred.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivables, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $14,596 on June 9, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $354 and $987 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated based on an analysis of the time lag trends of current year expenditures as well as management input regarding unusual items. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into 10 regions. The authority's boundary and name was unaffected by this change.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 14,566
Additional funding for the current year	138
Grant for the year	$ 14,704

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, and the remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 354	$ 325
Child and Family Services Authorities	-	12
Refunds from Suppliers	-	11
	$ 354	$ 348

Note 6 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Trade Payable	$ 629	$ 589
Department of Children's Services	4	-
Accrued Vacation Pay	354	324
	$ 987	$ 913

Notes to the Financial Statements

For the year ended March 31, 2004

Note 7 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands) 2004	(In thousands) 2003
Other miscellaneous revenue	$ 5	$ 18
Previous year over accrual	48	-
	$ 53	$ 18

Note 8 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands) 2004	(In thousands) 2003
Long-term leases[a]	$ 72	$ 80

(a) The authority leases certain equipment under operating leases that expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 29
2006	$ 27
2007	$ 12
2008	$ 4

Note 9 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $510 and $5 respectively.

Note 10 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 11 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Manpower[a]	$ 4,396	$ 4,307	$ 4,084
Supplies and Services	8,411	8,304	8,307
Grants	1,769	2,104	2,044
Inter-Authority Services	20	-	20
Other	-	30	28
	$ 14,596	$ 14,745	$ 14,483

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $19,000 (2003 -$24,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

(In thousands)

	2004				2003
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Co-Chair of the Authority	-	$ 6	-	$ 6	$ 9
Co-Chair of the Authority	-	$ 12	-	$ 12	$ 11
Board Members (5 members)	-	$ 11	-	$ 11	$ 12
Chief Executive Officer[4]	$ 104	$ 10	$ 22	$ 136	$ 117

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) As a result of the transition from 18 to 10 Child and Family Services Authorities effective April 1, 2003, the Chief Executive of Southeast Alberta Child and Family Services Authority operated as the transitional Chief Executive Officer for both Southeast Alberta and Southwest Alberta Child and Family Services Authorities. While the schedule above includes the full salary and benefits of the transitional CEO for the year, the authority only paid 50% of the Salary and Benefits.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues:				
Grant from the Department of Children's Services	$ 14,704	$ 14,579	$ -	$ -
Recoveries - First Nation Reserves	8	22	-	-
Recoveries - Inter-Authority Services	-	20	-	-
Prior Year Revenue - Inter-Authority Services	3	4	-	-
	$ 14,715	$ 14,625	-	-
Expenses:				
Inter-Authority Services Received	$ 10	$ 41	$ -	$ -
Alberta Corporate Service Centre	-	-	6	7
Alberta Human Resources and Employment	-	-	4	-
Persons with Developmental Disabilities South Region Community Board	-	-	7	-
Department of Children's Services	283	251	-	-
	$ 293	$ 292	$ 17	$ 7
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 350	$ 325	$ -	$ -
Sun Country Child and Family Services Authority	-	10	-	-
Diamond Willow Child and Family Services Authority	-	2	-	-
Persons with Developmental Disabilities South Region Community Board	-	-	(7)	-
	$ 350	$ 337	(7)	-

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003
Expenses (notional):		
Accommodation	$ 453	$ 431
Administrative	190	260
Legal Services	2	-
	$645	$691

Allocated Costs - Schedule 4

For the year ended March 31, 2004

(In thousands)

	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	**Expenses[1]**	**Accommodation Costs[2]**	**Administration Costs[3]**	**Legal Services[4]**	**Vacation Pay[5]**	**Total Expenses**	**Total Expenses**
Program Support	$ 579	$ 28	$ 190	$ -	$ 2	$ 799	$ 1,091
Child Welfare	8,879	376	-	2	25	9,282	8,273
Child Financial Support	109	-	-	-	-	109	75
Services to Children with Disabilities	1,341	28	-	-	2	1,371	1,491
Child Care	2,203	21	-	-	1	2,225	2,197
Early Intervention	1,306	-	-	-	-	1,306	1,297
Prevention of Family Violence	-	-	-	-	-	-	510
Mentoring for Parents	220	-	-	-	-	220	181
Fetal Alcohol Initiatives	78	-	-	-	-	78	39
Inter-Authority Services	-	-	-	-	-	-	20
	$ 14,715	$ 453	$ 190	$ 2	$ 30	$ 15,390	$ 15,174

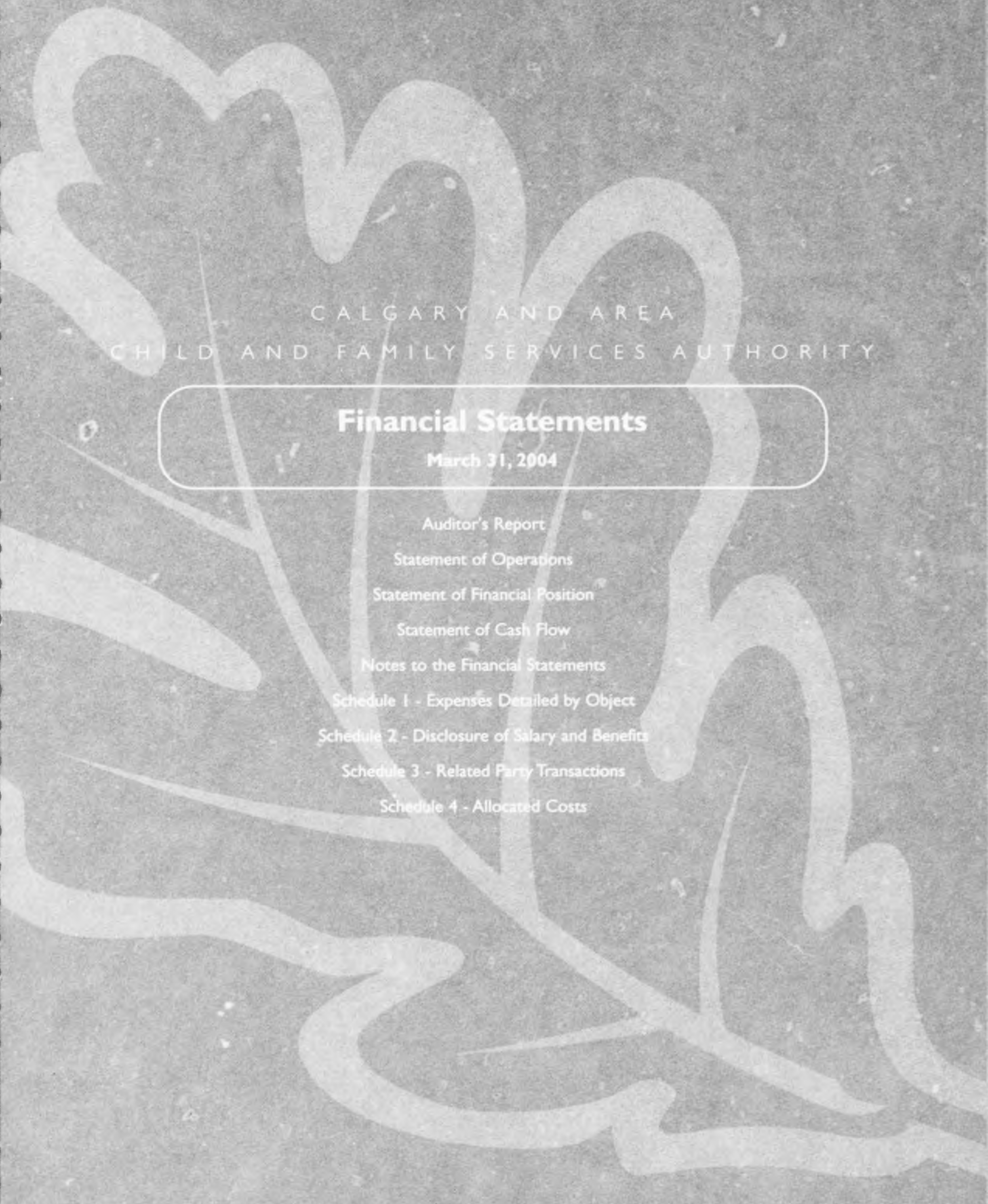
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



CALGARY AND AREA
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 - Expenses Detailed by Object

Schedule 2 - Disclosure of Salary and Benefits

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs

calgary and area child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Calgary and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Calgary and Area Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 19, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands) 2004 Budget	2004 Actual	2003 Actual (restated - Note - 3)
Revenues			
Grant from the Department of Children's Services (Note 4)	$148,946	$150,316	$145,763
Recoveries - Resident on Reserve	883	730	795
Recoveries - Inter-Authority Services	442	70	51
Other Revenue (Note 11)	2,125	936	1,364
Miscellaneous Revenue (Note 8)	230	861	2,028
	152,626	152,913	150,001
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	154	81	177
Management and Program Support	4,266	2,341	2,479
Community Coordination	1,425	2,755	2,852
Services to Children and Families:			
Child Welfare	96,655	98,444	91,451
Child Financial Support	721	747	712
Services to Children with Disabilities	24,942	24,154	22,903
Child Care	15,717	14,737	14,776
Early Intervention	5,774	6,037	4,977
Prevention of Family Violence (Note 12)	-	94	3,291
Mentoring for Parents	1,816	1,674	1,475
Fetal Alcohol Initiatives	714	916	356
Inter-Authority Services	442	70	51
Valuation Adjustments			
Vacation Pay	-	105	12
Amortization	-	110	109
	152,626	152,265	145,621
Net Operating Results	$ -	$ 648	$ 4,380

The accompanying notes and schedules are part of these financial statements.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

As at March 31, 2004

	(In thousands)	
	2004	2003 (restated - Note 3)
Assets		
Cash	$ 16,113	$ 14,290
Accounts Receivable (Note 5)	3,348	2,831
Tangible Capital Assets (Note 6)	-	110
	$ 19,461	$ 17,231
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 10,258	$ 8,676
Net Assets		
Net Assets at Beginning of Year	8,555	4,175
Net Operating Results	648	4,380
Net Assets at End of Year	9,203	8,555
	$ 19,461	$ 17,231

The accompanying notes and schedules are part of these financial statements

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flow

For the year ended March 31, 2004

		(In thousands) 2004
Operating Transactions:		
Net Operating Results	$	648
Non-Cash Items:		
Amortization of Tangible Capital Assets		110
Vacation Pay		105
		863
Decrease (Increase) in Accounts Receivable		(517)
Increase (Decrease) in Accounts Payable and Accrued Liabilities(a)		1,477
Cash Provided by (applied to) Operating Transactions		1,823
Increase (Decrease) in Cash		1,823
Cash, Beginning of Year		14,290
Cash, End of Year	$	16,113

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Calgary and Area Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer, all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Calgary and Area Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 11) that are restricted, are recognized in the year when the related expenses are incurred.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget. They are included in the Statement of Operations and Schedule 1.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are excluded from the Statement of Operations but are disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $152,626 on June 10, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $3,348 and $10,258 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using expenditure trends from the prior year and current year as well as worksite management input. The actual amount could vary significantly from that estimated.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the new Calgary and Area Child and Family Services Authority which consists of portions of the following previous authorities

(100%) Calgary Rocky View Child and Family Services Authority
(100%) Windsong Child and Family Services Authority
(33%) Hearthstone Child and Family Services Authority

was formed. The effect of this change has been applied retroactively by restating all comparative amounts of these financial statements with the exception of the Statement of Cash Flow as the necessary financial data to restate the prior year is not reasonably determinable.

Assets and liabilities were transferred to the new authorities at their proportionate carrying values.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 148,946
Additional funding for the current year	1,370
Grant for the year	$ 150,316

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, and the remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 2,742	$ 2,645
Child and Family Services Authorities	6	5
Other	600	181
	$ 3,348	$ 2,831

Note 6 Tangible Capital Assets

	(In thousands)				
	2004				2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Systems Development	3 years	$ 329	$ 329	$ -	$ 110

Note 7 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Trade Payable	$ 7,611	$ 5,970
Department of Children's Services	17	57
Child and Family Services Authorities	19	66
Accrued Vacation Pay	2,605	2,501
Other	6	82
	$ 10,258	$ 8,676

Note 8 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands)	
	2004	2003
Recoveries of costs incurred under an agreement (see Note 11)	$ 230	$ 230
Other miscellaneous revenue	631	1,798
	$ 861	$ 2,028

Note 9 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	2003
Long-term leases(a)	$ 66	$ 116

(a) The authority leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(In thousands)	
2005	$ 42
2006	$ 18
2007	$ 6

Notes to the Financial Statements

For the year ended March 31, 2004

Note 10 Contingencies (In thousands)

At March 31, 2004, the authority is involved in 5 claims either directly as a named defendant or peripherally as the authority with management responsibility when the incident giving rise to the claim occurred (2003 –5 legal claims). The five claims have specified amounts totaling $5,375 (2003 – 4 claims with a specified amount of $3,805 and one with no specified amount).

Included in the total legal claims is one claim amounting to $1,200 in which the authority has been jointly named with other entities. Four claims amounting to $4,625 are covered by the Alberta Risk Management and Insurance Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 11 Third Party Agreements (In thousands)

The authority has entered into three third party agreements with Student Health Partnership, Department of Human Resources and Employment, and Department of Community Development for various program services. The revenues of $1,166 (2003 - $1,594) and expenses of $1,035 (2003-$1,295) are included in the financial statements.

	(In thousands) 2004	2003
Student Health Partnership (Other Revenue)	$ 936	$ 1,364
Department of Human Resources and Employment	230	230
Department of Community Development	(1,035)	(1,295)

Note 12 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $3,291 and $0 respectively.

Note 13 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 14 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Manpower[a]	$ 28,061	$ 29,055	$ 26,755
Supplies and Services	108,814	108,656	104,061
Supplies and Services - arrangement[b]	1,035	1,035	1,295
Grants	14,274	13,185	13,296
Amortization of Tangible Capital Assets	-	110	109
Inter-Authority Services	442	70	51
Other	-	154	54
	$ 152,626	$ 152,265	$ 145,621

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $125,000 (2003 -$106,427) in achievement bonuses for management and non-union staff.

(b) The authority receives human resource, financial, and other administrative support services from the Department of Community Development.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

	(In thousands)									
	2004								2003	
		Base Salary[1]		Other Cash Benefits[2]		Other Non-cash Benefits[3]		Total		Total (restated - Note 3)
Co-Chair of the Authority	$	-	$	17	$	-	$	17	$	18
Co-Chair of the Authority	$	-	$	14	$	-	$	14	$	18
Board Members (13 members)	$	-	$	44	$	-	$	44	$	34
Chief Executive Officer[4]	$	148	$	19	$	7	$	174	$	141

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) Automobile provided to the CEO, no dolllar amount included in benefits and allowances.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		**Other Entities**	
	2004	**2003** (restated - Note 3)	**2004**	**2003** (restated - Note 3)
Revenues:				
Grant from the Department of Children's Services	$ 150,316	$ 145,763	$ -	$ -
Recoveries - First Nation Reserves	730	795	-	-
Recoveries - Inter-Authority Services	70	51	-	-
Alberta Human Resources and Employment	-	-	230	230
	$ 151,116	$ 146,609	$ 230	$ 230
Expenses:				
Inter-Authority Services Received	$ 326	$ 456	$ -	$ -
Department of Children's Services	1,378	1,521	-	-
Alberta Corporate Service Centre	-	-	1	-
	$ 1,704	$ 1,977	$ 1	$ -
Receivable from/(Payable to):				
Department of Children's Services (Net)	$ 2,725	$ 2,588	$ -	$ -
Southwest Alberta Child and Family Services Authority	(9)	(14)	-	-
Central Alberta Child and Family Services Authority	6	(16)	-	-
Edmonton and Area Child and Family Services Authority	(10)	(23)	-	-
	$ 2,712	$ 2,535	$ -	$ -

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	**2003** (restated - Note 3)
Expenses (notional):		
Accommodation	$ 3,791	$ 4,134
Administrative	696	941
Legal Services	429	991
	$ 4,916	$ 6,066

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	Expenses[1]	Accommodation Costs[2]	Administration Costs[3]	Legal Services[4]	Vacation Pay[5]	Total Expenses	Total Expenses (restated - Note 3)
Program Support	$ 5,177	$ 113	$ 696	$ -	$ 3	$ 5,989	$ 6,532
Child Welfare	98,444	3,316	-	429	93	102,282	96,028
Child Financial Support	747	16	-	-	-	763	712
Services to Children with Disabilities	24,154	153	-	-	4	24,311	23,125
Child Care	14,737	193	-	-	5	14,935	15,025
Early Intervention	6,037	-	-	-	-	6,037	4,977
Prevention of Family Violence	94	-	-	-	-	94	3,299
Mentoring for Parents	1,674	-	-	-	-	1,674	1,475
Fetal Alcohol Initiatives	916	-	-	-	-	916	356
Inter-Authority Services	70	-	-	-	-	70	51
Amortization	110	-	-	-	-	110	109
	$ 152,160	$ 3,791	$ 696	$ 429	$ 105	$ 157,181	$ 151,689

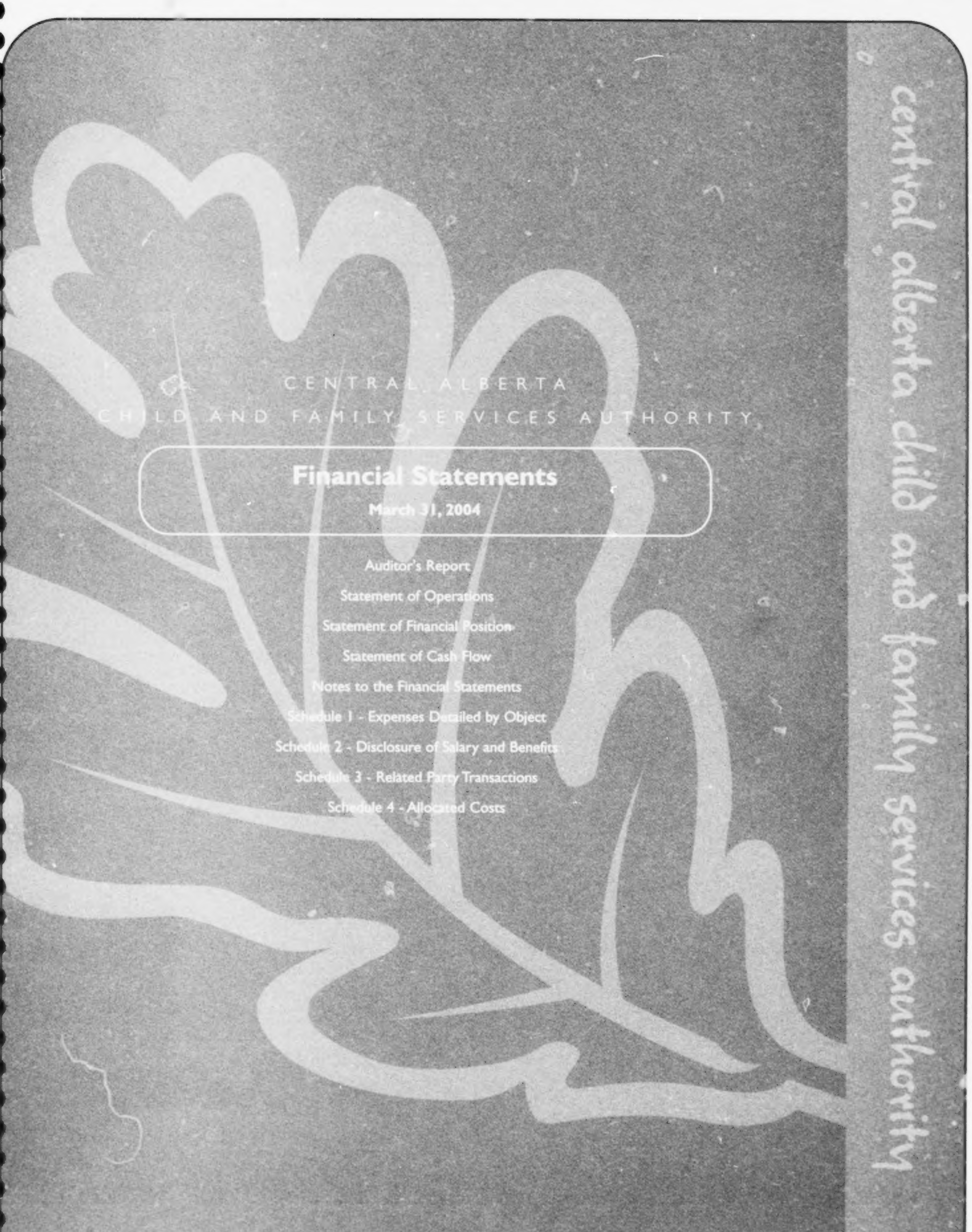
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



CENTRAL ALBERTA
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule 1 - Expenses Detailed by Object
Schedule 2 - Disclosure of Salary and Benefits
Schedule 3 - Related Party Transactions
Schedule 4 - Allocated Costs

central alberta child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton Alberta
May 18, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands) 2004 Budget	2004 Actual	2003 Actual (restated - Note - 3)
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 44,242	$ 46,587	$ 44,046
Recoveries - Resident on Reserve	3,887	3,609	3,731
Recoveries - Inter-Authority Services	266	59	125
Donations	-	75	-
Miscellaneous Revenue (Note 7)	-	63	141
	48,395	50,393	48,043
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	284	217	246
Management and Program Support	1,455	1,669	1,475
Community Coordination	1,371	1,561	1,547
Services to Children and Families:			
Child Welfare	29,949	31,087	29,946
Child Financial Support	332	392	334
Services to Children with Disabilities	6,757	6,363	6,261
Child Care	4,493	3,926	4,073
Early Intervention	2,729	3,519	2,540
Prevention of Family Violence (Note 9)	-	193	966
Mentoring for Parents	547	743	660
Fetal Alcohol Initiatives	212	298	285
Inter-Authority Services	266	59	125
Valuation Adjustments			
Vacation Pay	-	19	28
	48,395	50,046	48,486
Net Operating Results	$ -	$ 347	$ (443)

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	2003 (restated - Note 3)
Assets		
Cash	$ 1,787	$ 1,360
Accounts Receivable (Note 5)	1,758	1,545
Advances	1	1
	$ 3,546	$ 2,906
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 3,244	$ 2,951
Net Assets (Liabilities)		
Net Assets/(Liabilities) at Beginning of Year	(45)	398
Net Operating Results	347	(443)
Net Assets/(Liabilities) at End of Year	302	(45)
	$ 3,546	$ 2,906

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

		(In thousands) 2004
Operating Transactions:		
Net Operating Results	$	347
Non-Cash Item:		
Vacation Pay		19
		366
Increase in Accounts Receivable		(213)
Increase in Accounts Payable and Accrued Liabilities[a]		274
Cash Provided by Operating Transactions		427
Cash, Beginning of Year		1,360
Cash, End of Year	$	1,787

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Central Alberta Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. All individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying values of cash, accounts receivable, and advances approximate their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and are amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying values of accounts payable and accrued liabilities approximate their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $48,395 on May 16, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $1,758 and $3,244 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the new Central Alberta Child and Family Services Authority which consists of portions of the following previous authorities

(67%) Hearthstone Child and Family Services Authority
(100%) Diamond Willow Child and Family Services Authority
(13%) Ribstone Child and Family Services Authority
(100%) Keystone Child and Family Services Authority

was formed. The effect of this change has been applied retroactively by restating all comparative amounts of these financial statements with the exception of the Statement of Cash Flow as the necessary financial data to restate the prior year is not reasonably determinable.

Assets and liabilities were transferred to the new authorities at their proportionate carrying values.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 44,242
Additional funding for the current year	2,345
Grant for the year	$ 46,587

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, and the remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 1,564	$ 1,480
Child and Family Services Authorities	7	41
Refunds from Suppliers	25	-
Other (Prepaid Expenses-Contracts and GST)	162	24
	$ 1,758	$ 1,545

Notes to the Financial Statements

For the year ended March 31, 2004

Note 6 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	**2003**
Department of Children's Services	$ 11	$ 24
Child and Family Services Authorities	39	88
Accrued Vacation Pay and Other Manpower	1,395	1,081
Trade Payable	1,799	1,758
	$ 3,244	$ 2,951

Note 7 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands)	
	2004	**2003**
Other miscellaneous revenue	$ 63	$ 77
Previous year over accrual	-	64
	$ 63	$ 141

Note 8 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	**2003**
Long-term leases[(a)]	$ 250	$ 270

(a) The authority leases vehicles under operating leases that expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 127
2006	$ 86
2007	$ 34
2008	$ 3

Note 9 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $470 and $19 respectively.

Note 10 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 11 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Manpower(a)	$ 11,413	$ 12,339	$ 11,829
Supplies and Services	33,146	34,070	32,674
Grants	3,836	4,058	4,010
Inter-Authority Services	-	59	125
Other	-	20	28
	48,395	50,546	48,666
Less Recovery from Alberta Health and Wellness	-	(500)	(180)
	$ 48,395	$ 50,046	$ 48,486

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $59,229 in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

(In thousands)

	2004				2003
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total (restated - Note 3)
Co-Chair of the Authority	$ -	$ 25	$ -	$ 25	$ 18
Co-Chair of the Authority	$ -	$ 20	$ -	$ 20	$ 19
Board Members (12 members)	$ -	$ 114	$ -	$ 114	$ 82
Chief Executive Officer	$ 103	$ 13	$ 23	$ 139	$ 102

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003 (restated - Note 3)	2004	2003 (restated - Note 3)
Revenues:				
Grant from the Department of Children's Services	$ 46,587	$ 44,046	$ -	$ -
Recoveries - First Nation Reserves	3,609	3,731	-	-
Recoveries - Inter-Authority Services	59	125	-	-
Donations			75	-
	$ 50,255	$ 47,902	$ 75	-
Expenses:				
Inter-Authority Services Received	$ 184	$ 431	$ -	$ -
Alberta Corporate Service Centre	-	-	12	14
Department of Children's Services	710	1,059	-	-
	$ 894	$ 1,490	$ 12	$ 14
Receivable from/(Payable to):				
Department of Children's Services	$ 1,553	$ 1,457	$ -	$ -
Southeast Child and Family Services Authority	-	(2)	-	-
Calgary and Area Child and Family Services Authority	(6)	16	-	-
East Central Alberta Child and Family Services Authority	-	(8)	-	-
Edmonton and Area Child and Family Services Authority	(26)	(58)	-	-
North Central Child and Family Services Authority	-	(1)	-	-
	$ 1,521	$ 1,404	$ -	$ -

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003 (restated - Note 3)
Accommodation	$ 1,438	$ 1,352
Administrative	457	700
Legal Services	264	39
	$ 2,159	$ 2,091

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	Expenses(1)	Accommodation Costs(2)	Administration Costs(3)	Legal Services(4)	Vacation Pay(5)	Total Expenses	Total Expenses (restated - Note 3)
Program Support	$ 3,447	$ 123	$ 457	$ -	$ 2	$ 4,029	$ 4,071
Child Welfare	31,087	1,117	-	264	15	32,483	31,043
Child Financial Support	392	-	-	-	-	392	334
Services to Children with Disabilities	6,363	99	-	-	1	6,463	6,369
Child Care	3,926	61	-	-	1	3,988	4,170
Early Intervention	3,519	38	-	-	-	3,557	2,554
Prevention of Family Violence	193	-	-	-	-	193	966
Mentoring for Parents	743	-	-	-	-	743	660
Fetal Alcohol Initiatives	298	-	-	-	-	298	285
Inter-Authority Services	59	-	-	-	-	59	125
	$ 50,027	$ 1,438	$ 457	$ 264	$ 19	$ 52,205	$ 50,577

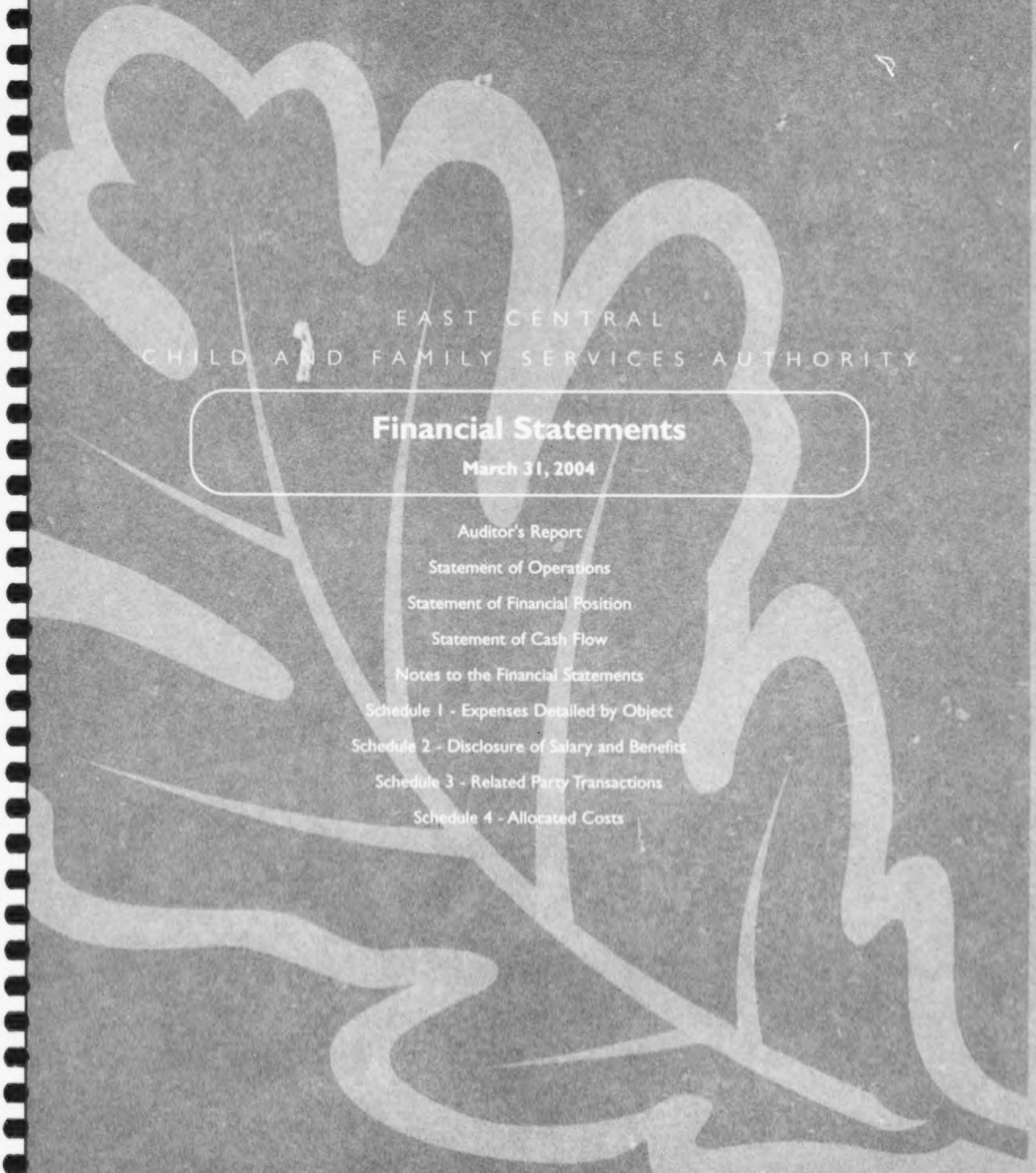
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



EAST CENTRAL
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule 1 - Expenses Detailed by Object
Schedule 2 - Disclosure of Salary and Benefits
Schedule 3 - Related Party Transactions
Schedule 4 - Allocated Costs

east central child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the East Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the East Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 18, 2004

EAST CENTRAL CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note - 3)
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 12,582	$ 12,780	$ 12,539
Recoveries - First Nation Reserves	444	385	410
Recoveries - Inter-Authority Services	199	22	195
Miscellaneous Revenue (Note 7)	-	85	156
	13,225	13,272	13,300
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	102	102	84
Management and Program Support	1,038	955	1,075
Community Coordination	91	479	5
Services to Children and Families:			
Child Welfare	7,217	7,591	6,485
Child Financial Support	156	221	146
Services to Children with Disabilities	2,358	2,037	2,011
Child Care	1,094	874	1,055
Early Intervention	739	489	660
Prevention of Family Violence (Note 9)	-	42	693
Mentoring for Parents	177	281	111
Fetal Alcohol Initiatives	54	75	17
Inter-Authority Services	199	22	195
Valuation Adjustment:			
Vacation Pay (Note 2)	-	33	(20)
	13,225	13,201	12,517
Net Operating Results	$ -	$ 71	$ 783

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	2003 (restated Note-3)
Assets		
Cash	$ 1,492	$ 1,249
Accounts Receivable (Note 5)	302	398
	$ 1,794	$ 1,647
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 867	$ 791
Net Assets		
Net Assets at Beginning of Year	856	73
Net Operating Results	71	783
Net Assets at End of Year	927	856
	$ 1,794	$ 1,647

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004
Operating Transactions:	
Net Operating Results	$ 71
Non-Cash Item:	
Vacation Pay	33
	104
Decrease in Accounts Receivable	96
Increase in Accounts Payable and Accrued Liabilities[a]	43
Cash Provided by Operating Transactions	243
Cash, Beginning of Year	1,249
Cash, End of Year	1,492

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The East Central Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the East Central Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying values of cash and accounts receivables approximate their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $13,225 on June 26, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded at $302 and $867 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using an aging and linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the new East Central Child and Family Services Authority which consists of portions of the following previous authorities

(85%) Ribstone Child and Family Services Authority
(15%) Sakaigun Asky Child and Family Services Authority

was formed. The effect of this change has been applied retroactively by restating all comparative amounts of these financial statements with the exception of the Statement of Cash Flow as the necessary financial data to restate the prior year is not reasonably determinable.

Assets and liabilities were transferred to the new authorities at their proportionate carrying values.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 12,582
Additional funding for the current year	198
Grant for the year	$ 12,780

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 296	$ 266
Child and Family Services Authorities	-	37
Refunds from Suppliers	3	93
Other (GST)	3	2
	$ 302	$ 398

Note 6 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 6	$ -
Child and Family Services Authorities	25	19
Accrued Vacation Pay and Other Manpower	379	255
Trade Payable	457	517
	$ 867	$ 791

Note 7 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands)	
	2004	2003
Previous year over accrual	72	29
Other miscellaneous revenue	13	127
	$ 85	$ 156

Note 8 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	2003
Long-term leases[(a)]	$ 77	$ 70

(a) The authority leases certain vehicles under operating leases that expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 35
2006	$ 27
2007	$ 11
2008	$ 4

Notes to the Financial Statements

For the year ended March 31, 2004

Note 9 Program Transfer

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $650 and $12 respectively.

Note 10 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 11 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Manpower[a]	$ 3,324	$ 3,316	$ 2,996
Supplies and Services	7,778	7,887	7,539
Grants	1,924	1,943	1,866
Inter-Authority Services	199	22	195
Other	-	33	(20)
	13,225	13,201	12,576
Less Recovery from Alberta Health and Wellness	-	-	(59)
	$ 13,225	$ 13,201	$ 12,517

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $10,806 (2003 - $8,021) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

	(In thousands)				
	2004				2003
	Base Salary(1)	Other Cash Benefits(2)	Other Non-cash Benefits(3)	Total	Total (restated - Note 3)
Co-Chair of the Authority	$ -	$ 28	$ -	$ 28	$ 23
Co-Chair of the Authority	$ -	$ 14	$ -	$ 14	$ 11
Board Members (7 members)	$ -	$ 38	$ -	$ 38	$ 23
Chief Executive Officer(4)	$ 95	$ 11	$ 20	$ 126	$ 109

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) The position was occupied by two individuals during the year. The previous incumbent resigned in August of 2003.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003 (restated - Note 3)	2004	2003 (restated - Note 3)
Revenues:				
Grant from the Department of Children's Services	$ 12,780	$ 12,539	$ -	$ -
Recoveries - First Nation Reserves	385	378	-	-
Recoveries - Inter-Authority Services	22	195	-	-
Prior Year Revenue - First Nation Reserves	-	32	-	-
Prior Year Revenue - Inter-Authority Services	2	21	-	-
	$ 13,189	$ 13,165	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 331	$ 260	$ -	$ -
Alberta Corporate Service Centre	-	-	-	-
Department of Children's Services	230	235	-	-
	$ 561	$ 495	$ -	$ -
Receivable from/(Payable to):				
Department of Children's Services	$ 290	$ 266	$ -	$ -
Edmonton and Area Child and Family Services Authority	(15)	14	-	-
North Central Child and Family Services Authority	(10)	-	-	-
Central Alberta Child and Family Services Authority	-	8	-	-
	$ 265	$ 288	$ -	$ -

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003 (restated - Note 3)
Expenses (notional):		
Accommodation	$ 560	$ 528
Administrative	165	184
Legal Services	25	32
	$ 750	$ 744

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	Expenses[1]	Accommodation Costs[2]	Administration Costs[3]	Legal Services[4]	Vacation Pay[5]	Total Expenses	Total Expenses (restated - Note 3)
Program Support	$ 1,536	$ 100	$ 165	$ -	$ 6	$ 1,807	$ 1,400
Child Welfare	7,591	410	-	25	24	8,050	6,862
Child Financial Support	221	-	-	-	-	221	146
Services to Children with Disabilities	2,037	50	-	-	3	2,090	2,084
Child Care	874	-	-	-	-	874	1,093
Early Intervention	489	-	-	-	-	489	660
Prevention of Family Violence	42	-	-	-	-	42	693
Mentoring for Parents	281	-	-	-	-	281	111
Fetal Alcohol Initiatives	75	-	-	-	-	75	17
Inter-Authority Services	22	-	-	-	-	22	195
	$ 13,168	$ 560	$ 165	$ 25	$ 33	$ 13,951	$ 13,261

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

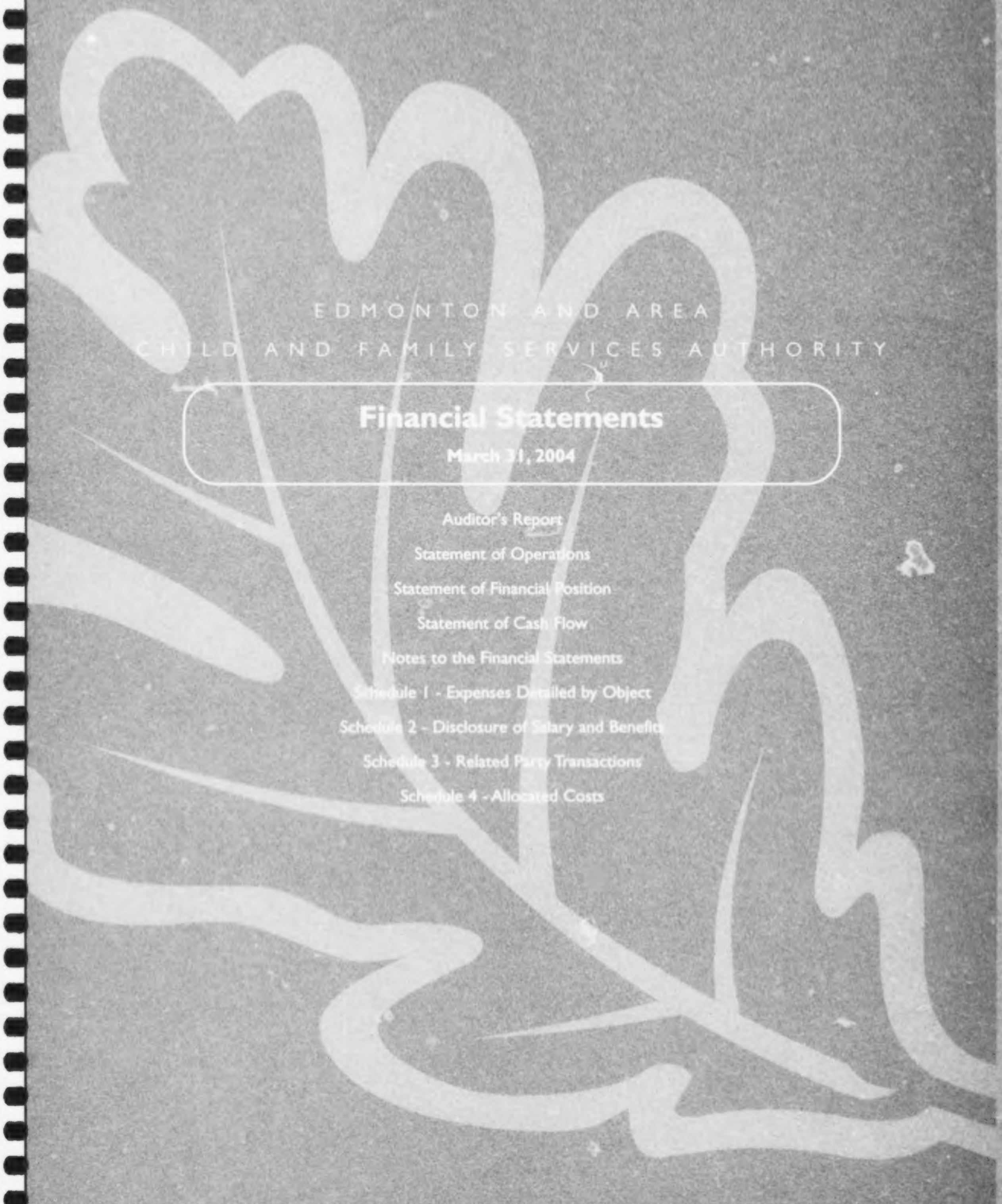
(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.

EDMONTON AND AREA
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule 1 - Expenses Detailed by Object
Schedule 2 - Disclosure of Salary and Benefits
Schedule 3 - Related Party Transactions
Schedule 4 - Allocated Costs



edmonton and area child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the members of the Edmonton and Area Child and Family Services Authority and the Minister of Children's Services:

I have audited the statement of financial position of the Edmonton and Area Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn
FCA
Auditor General

Edmonton, Alberta
May 19, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 203,875	$ 208,326	$ 202,486
Recoveries - First Nation Reserves	6,847	5,136	6,442
Recoveries - Inter-Authority Services	1,942	836	1,572
Miscellaneous Revenue (Note 8)	2,268	2,721	2,599
	214,932	217,019	213,099
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	232	104	184
Management and Program Support	4,804	3,337	3,443
Community Coordination	1,838	2,443	3,331
Services to Children and Families:			
Child Welfare	145,460	154,646	144,081
Child Financial Support	1,405	1,326	1,362
Services to Children with Disabilities	21,629	21,366	19,123
Child Care	25,760	23,457	23,558
Early Intervention	9,186	9,091	9,055
Prevention of Family Violence (Note 12)	-	383	3,045
Mentoring for Parents	1,848	1,646	1,878
Fetal Alcohol Initiatives	828	1,108	504
Inter-Authority Services	1,942	836	1,572
Valuation Adjustment:			
Vacation Pay (Note 2)	-	236	354
Amortization	-	13	13
	214,932	219,992	211,503
Net Operating Results	$ -	$ (2,973)	$ 1,596

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

For the year ended March 31, 2004

	(In thousands) 2004	2003 (restated Note-3)
Assets		
Cash	$ 8,950	$ 10,312
Accounts Receivable (Note 5)	7,048	6,376
Advances	7	7
Tangible Capital Assets (Note 6)	30	43
	$ 16,035	$ 16,738
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 15,730	$ 13,460
Net Assets (Liabilities)		
Net Assets at Beginning of Year	3,278	1,682
Net Operating Results	(2,973)	1,596
Net Assets at End of Year	305	3,278
	$ 16,035	$ 16,738

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004
Operating Transactions:	
Net Operating Results	$ (2,973)
Non-Cash Items:	
Amortization of Capital Assets	13
Vacation Pay	236
	(2,724)
Increase in Accounts Receivable	(672)
Increase in Accounts Payable and Accrued Liabilities[a]	2,034
Cash Applied to Operating Transactions	(1,362)
Decrease in Cash	(1,362)
Cash, Beginning of Year	10,312
Cash, End of Year	$ 8,950

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Edmonton and Area Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Edmonton and Area Child and Family Services Authority which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note11) that are restricted are recognized in the year when the related expenses are incurred.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the authority by the Department of Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed at Schedule 4.

Assets

The carrying value of cash, accounts receivables, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include one vehicle. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $214,932 on May 7, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $7,048 and $15,730 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the new Edmonton and Area Child and Family Services Authority which consists of portions of the following previous authorities

100% Ma'mowe Capital Region Child and Family Services Authority
73% West Yellowhead Child and Family Services Authority
34% Sakaw-Askiy Child and Family Services Authority
25% Sakaigun Asky Child and Family Services Authority

was formed. The effect of this change has been applied retroactively by restating all comparative amounts of these financial statements with the exception of the Statement of Cash Flow as the necessary financial data to restate the prior year is not reasonably determinable.

Assets and liabilities were transferred to the new authorities at their proportionate carrying values.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 203,875
Additional funding for the current year	4,451
Grant for the year	$ 208,326

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services, other Child and Family Services Authorities and other related parties. The remaining transactions are with external parties.

	(In thousands) 2004	2003
Department of Children's Services	$ 6,392	$ 5,451
Child and Family Services Authorities	96	468
Student Health Initiative	144	147
Alberta Human Resources and Employment	53	79
Persons with Developmental Disabilities	63	-
Other	300	231
	$ 7,048	$ 6,376

Note 6 Tangible Capital Assets

(In thousands)

	2004 Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	2003 Net Book Value
Vehicle	5 years	$ 64	$ 34	$ 30	$ 43

Note 7 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services, other Child and Family Services Authorities and other related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	**2003**
Department of Children's Services	$ 32	$ -
Trade Payable	9,385	8,205
Accrued Vacation Pay and Manpower Expenses	6,253	4,988
Child and Family Services Authorities	60	259
Alberta Justice	-	6
Alberta Agriculture	-	2
	$ 15,730	$ 13,460

Note 8 Miscellaneous Revenue

Miscellaneous revenues include the following:

	(In thousands)	
	2004	**2003**
Recoveries of costs incurred under an agreement (see Note 11)	$ 1,930	$ 1,953
Other miscellaneous revenue	582	264
Previous year over accrual	201	374
Donations	8	8
	$ 2,721	$ 2,599

Note 9 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	**2003**
Long-term leases(a)	$ 120	$ 80

(a) The authority leases certain equipment under operating leases that expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(In thousands)	
2005	$ 54
2006	$ 41
2007	$ 24
2008	$ 1

Notes to the Financial Statements

For the year ended March 31, 2004

Note 10 Contingencies (In thousands)

At March 31, 2004, the authority is involved in three claims either directly as a named defendant or peripherally as the authority with management responsibility when the incident giving rise to the claim occurred (2003 – seven legal claims). The three claims have specified amounts totaling $116,620 (2003 – six claims with a specified amount of $135,975 and one with no specified amount).

Included in the total legal claims is one claim amounting to $113,600 in which the authority has been jointly named with other entities. The three claims amounting to $116,620 are covered by the Alberta Risk Management and Insurance Fund.

Note 11 Third Party Agreements (In thousands)

The Student Health Initiative is an initiative of Alberta Learning, Alberta Health and Wellness and the authority to deliver integrated health and related support services for children with special health needs registered in school programs. The initiative commenced June 2000. All costs incurred under this agreement are covered by reimbursement from Edmonton Catholic Schools and Elk Island Public Schools.

The revenues and expenses of $1,452 (2003 - $1,514) and the resulting accounts receivable of $144 (2003 - $147) are included in the financial statements.

A shared service agreement between the authority and Alberta Human Resources and Employment assigns 7 full time positions to the Edmonton Crisis Unit. The agreement stipulates that Alberta Human Resources and Employment will reimburse the authority for all salary and benefits costs associated with these 7 positions.

The revenues and expenses of $478 (2003 - $439) and the resulting accounts receivable of $53 (2003 - $79) are included in the financial statements.

Note 12 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $2,703.

Note 13 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 14 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Manpower[a]	$ 51,881	$ 51,606	$ 48,750
Supplies and Services	139,129	145,714	139,478
Grants	21,980	21,587	21,676
Amortization of Capital Assets	-	13	14
Inter-Authority Services	1,942	836	1,572
Other	-	236	354
	214,932	219,992	211,844
Less: Recovery from Alberta Health and Wellness	-	-	(341)
	$ 214,932	$ 219,992	$ 211,503

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $138,000 (2003 - $140,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

	(In thousands)				
	2004				2003
	Base Salary(1)	Other Cash Benefits(2)	Other Non-cash Benefits(3)	Total	Total (restated - Note 3)
Co-Chair of the Authority	$ -	$ 14	$ -	$ 14	$ 31
Co-Chair of the Authority(4)	$ -	$ 6	$ -	$ 6	$ 25
Board Members (11 members)	$ -	$ 59	$ -	$ 59	$ 102
Chief Executive Officer(5)	$ 121	$ 13	$ 6	$ 140	$ 161

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) Two individuals occupied this position during the year.

(5) Two individuals occupied this position during the year. The previous incumbent resigned April 30, 2003.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003 (restated - Note 3)	2004	2003 (restated - Note 3)
Revenues:				
Grant from the Department of Children's Services	$ 208,326	$ 202,486	$ -	$ -
Recoveries - First Nation Reserves	5,136	6,315	-	-
Recoveries - Inter-Authority Services	836	1,572	-	-
Prior Year Revenue - Inter-Authority Services	71	7	-	-
Prior Year Revenue - Resident on Reserves	-	162	-	-
Miscellaneous Revenue:				
Alberta Human Resources and Employment	-	-	478	439
Persons with Developmental Disabilities	-	-	63	102
	$ 214,369	$ 210,542	$ 541	$ 541
Expenses:				
Inter-Authority Services Received	$ 115	$ 240	$ -	$ -
Alberta Corporate Service Centre	-	-	65	66
Department of Children's Services	2,523	2,648	-	-
	$ 2,638	$ 2,888	$ 65	$ 66
Receivable from/(Payable to):				
Department of Children's Services	$ 6,360	$ 5,451	$ -	$ -
Calgary and Area Child and Family Services Authority	9	23	-	-
Central Alberta Child and Family Services Authority	26	58	-	-
East Central Alberta Child and Family Services Authority	15	(14)	-	-
North Central Alberta Child and Family Services Authority	(22)	290	-	-
Northwest Alberta Child and Family Services Authority	5	17	-	-
Northeast Alberta Child and Family Services Authority	3	24	-	-
Alberta Human Resources and Employment	-	-	53	79
Alberta Agriculture	-	-	-	(2)
Alberta Justice	-	-	-	(6)
Alberta Learning	-	-	2	-
Persons with Developmental Disabilities	-	-	63	-
	$ 6,396	$ 5,849	$ 118	$ 71

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003 (restated - Note 3)
Expenses (notional):		
Accommodation	$5,553	$5,699
Administrative	539	750
Legal Services	1,375	1,569
	$7,467	$8,018

Allocated Costs - Schedule 4

For the year ended March 31, 2004

(In thousands)

	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	Expenses[1]	Accommodation Costs[2]	Administration Costs[3]	Legal Services[4]	Vacation Pay[5]	Total Expenses	Total Expenses (restated - Note 3)
Program Support	$ 5,884	$ 201	$ 539	$ -	$ 8	$ 6,632	$ 8,057
Child Welfare	154,646	4,649	-	1,375	198	160,868	150,234
Child Financial Support	1,326	14	-	-	-	1,340	1,362
Services to Children with Disabilities	21,366	366	-	-	16	21,748	19,240
Child Care	23,457	301	-	-	13	23,771	23,889
Early Intervention	9,091	22	-	-	1	9,114	9,042
Prevention of Family Violence	383	-	-	-	-	383	3,061
Mentoring for Parents	1,646	-	-	-	-	1,646	1,878
Fetal Alcohol Initiatives	1,108	-	-	-	-	1,108	504
Inter-Authority Services	836	-	-	-	-	836	1,572
Amortization	13	-	-	-	-	13	13
	$ 219,756	$ 5,553	$ 539	$ 1,375	$ 236	$ 227,459	$ 218,852

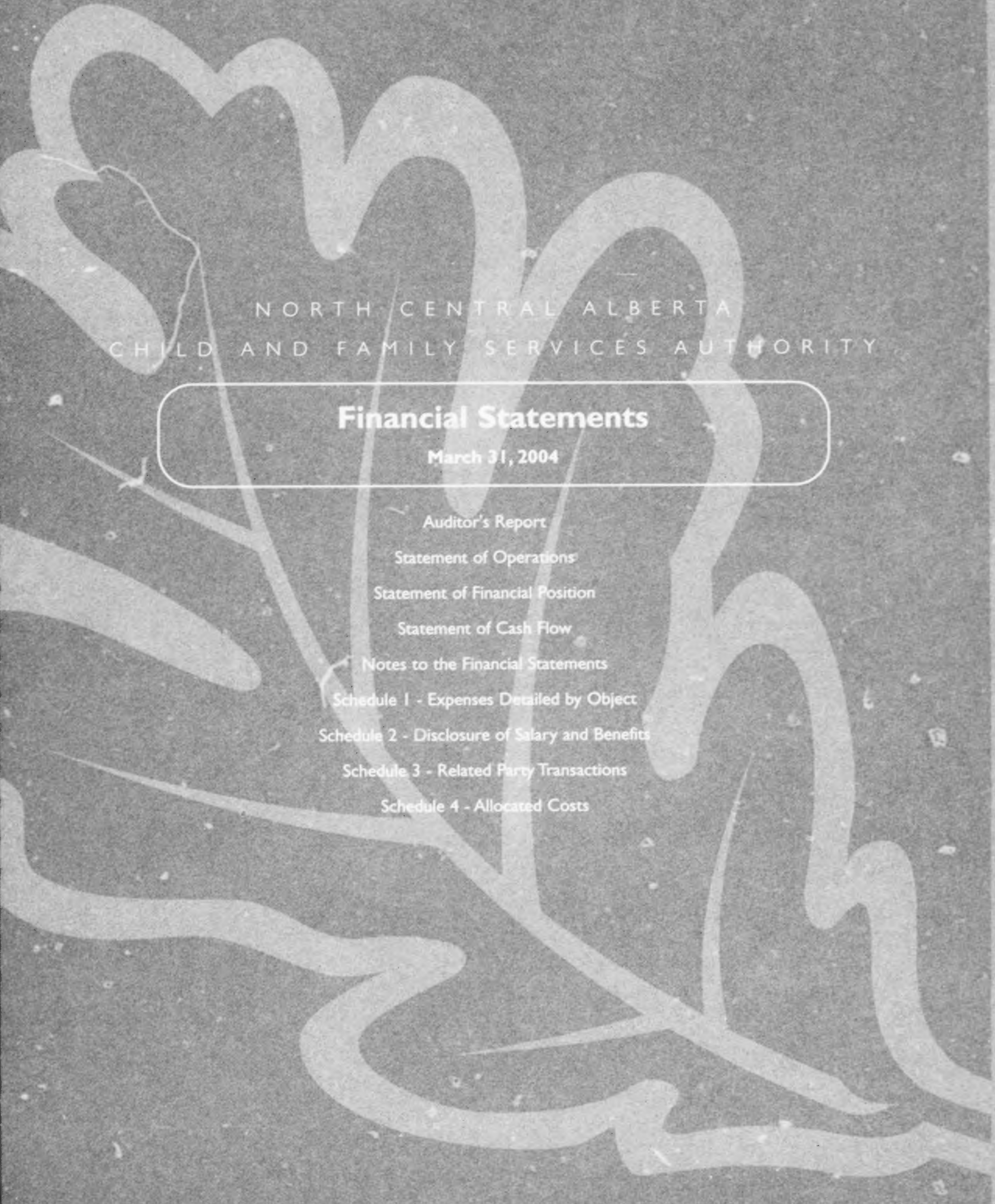
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Edmonton and Area Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



NORTH CENTRAL ALBERTA
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule 1 - Expenses Detailed by Object
Schedule 2 - Disclosure of Salary and Benefits
Schedule 3 - Related Party Transactions
Schedule 4 - Allocated Costs

north central alberta child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the North Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the North Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 20, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note - 3)
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 31,342	$ 30,577	$ 31,130
Recoveries - First Nation Reserves	648	802	922
Recoveries - Inter-Authority Services	1,129	626	1,080
Miscellaneous Revenue (Note 8)	-	181	429
	33,119	32,186	33,561
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	202	181	169
Management and Program Support	1,301	1,270	1,349
Community Coordination	61	110	51
Services to Children and Families:			
Child Welfare	20,843	21,502	19,372
Child Financial Support	349	311	335
Services to Children with Disabilities	3,686	2,656	2,764
Child Care	2,803	2,511	2,584
Early Intervention	2,135	1,523	1,910
Prevention of Family Violence (Note 10)	-	23	1,821
Mentoring for Parents	433	563	330
Fetal Alcohol Initiatives	177	117	191
Inter-Authority Services	1,129	626	1,080
Valuation Adjustments:			
Vacation Pay	-	(14)	(4)
Amortization	-	7	-
	33,119	31,386	31,952
Net Operating Results	$ -	$ 800	$ 1,609

Statement of Financial Position

For the year ended March 31, 2004

	(In thousands) 2004	2003 (restated Note-3)
Assets		
Cash	$ 3,718	$ 3,005
Accounts Receivable (Note 5)	1,937	1,651
Prepaid Expenses	-	45
Advances	-	1
Tangible Capital Assets (Note 6)	51	36
	$ 5,706	$ 4,738
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 2,572	$ 2,404
Net Assets		
Net Assets at Beginning of Year	2,334	725
Net Operating Results	800	1,609
Net Assets at End of Year	3,134	2,334
	$ 5,706	$ 4,738

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004
Operating Transactions:	
Net Operating Results	$ 800
Non-Cash Items:	
Amortization of Tangible Capital Assets	7
Vacation Pay	(14)
	793
(Increase) in Accounts Receivable	(286)
Decrease in Advances	1
Decrease in Prepaid Expenses	45
Increase in Accounts Payable and Accrued Liabilities[(a)]	182
Cash Provided by Operating Transactions	735
Capital Transactions:	
Acquisition of Tangible Capital Assets	(22)
Cash Applied to Capital Transactions	(22)
Increase in Cash	713
Cash, Beginning of Year	3,005
Cash, End of Year	$ 3,718

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Note 1 Authority and Purpose

The North Central Alberta Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer, all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the North Central Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 11) that are restricted, are recognized in the year when the related expenses are incurred.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying values of cash and accounts receivable approximate their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair value, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $33,119 on May 7, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $1,937 and $2,572 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the new North Central Alberta Child and Family Services Authority which consists of portions of the following previous authorities

27% West Yellowhead Child and Family Services Authority
66% Sakaw-Askiy Child and Family Services Authority
60% Sakaigun Asky Child and Family Services Authority
72% Neegan Awas'sak Child and Family Services Authority

was formed. The effect of this change has been applied retroactively by restating all comparative amounts of these financial statements with the exception of the Statement of Cash Flow as the necessary financial data to restate the prior year is not reasonably determinable.

Assets and liabilities were transferred to the new authorities at their proportionate carrying values.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 31,342
Net reduction in funding for the current year	(765)
Grant for the year	$ 30,577

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands) 2004	2003
Department of Children's Services	$ 1,694	$ 1,289
Child and Family Services Authorities	84	196
Alberta Human Resources and Employment	-	13
Refunds from Suppliers	92	42
Other	67	111
	$ 1,937	$ 1,651

Note 6 Tangible Capital Assets

	(In thousands) 2004				2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	5 years	$ 58	$ 7	$ 51	$ 36

Note 7 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	**2003**
Trade Payable	$ 1,897	$ 1,647
Department of Children's Services	7	-
Child and Family Services Authorities	31	106
Accrued Vacation Pay	637	651
	$ 2,572	$ 2,404

Note 8 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands)	
	2004	**2003**
Recoveries of costs incurred under an agreement (see Note 11)	$ -	$ 10
Other miscellaneous revenue	125	46
Previous year over accrual	56	373
	$ 181	$ 429

Note 9 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	**2003**
Service Contracts	$ 2,166	$ 2,308
Long-term leases[(a)]	303	239
	$ 2,469	$ 2,547

(a) The authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 166
2006	$ 98
2007	$ 35
2008	$ 2
2009	$ 2

Notes to the Financial Statements

For the year ended March 31, 2004

Note 10 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $1,821 and $22 respectively.

Note 11 Third Party Agreements (In thousands)

In partnership with the Elk Island School Division, the authority has entered into an agreement to deliver programs under the Student Health Initiatives.

The revenues and expenses of $0 (2003 - $10) are included in the financial statements.

Note 12 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 13 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Manpower[a]	$ 9,500	$ 8,757	$ 8,930
Supplies and Services	19,835	19,694	19,761
Grants	2,655	2,316	2,410
Amortization of Tangible Capital Assets	-	7	-
Inter-Authority Services	1,129	626	1,080
Other	-	(14)	(4)
	33,119	31,386	32,177
Less: Recovery from Alberta Health and Wellness	-	-	(225)
	$ 33,119	$ 31,386	$ 31,952

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $49,000 (2003 -$43,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

	(In thousands)				
	2004				2003
	Base Salary(1)	Other Cash Benefits(2)	Other Non-cash Benefits(3)	Total	Total (restated - Note 3)
Co-Chair of the Authority	$ -	$ 13	$ -	$ 13	$ 14
Co-Chair of the Authority	$ -	$ 17	$ -	$ 17	$ 8
Board Members (14 members)	$ -	$ 90	$ -	$ 90	$ 115
Chief Executive Officer	$ 114	$ 18	$ 28	$ 160	$ 144

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage group life insurance, long and short term disability plans, professional memberships and tuition fees.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003 (restated - Note 3)	2004	2003 (restated - Note 3)
Revenues:				
Grant from the Department of Children's Services	$ 30,577	$ 31,130	$ -	$ -
Recoveries - First Nation Reserves	802	922	-	-
Recoveries - Inter-Authority Services	626	1,080	-	-
	$ 32,005	$ 33,132	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 393	$ 713	$ -	$ -
Department of Children's Services	569	549	-	-
	$ 962	$ 1,262	$ -	$ -
Receivable from/(Payable to):				
Department of Children's Services	$ 1,685	$ 1,289	$ -	$ -
Alberta Human Resources and Employment	-	-	-	13
Central Alberta Child and Family Services Authority	-	1	-	-
East Central Child and Family Services Authority	10	-	-	-
Edmonton & Area Child and Family Services Authority	23	(290)	-	-
Northwest Child and Family Services Authority	10	31	-	-
Northeast Child and Family Services Authority	10	130	-	-
Metis Child and Family Services Authority	-	22	-	-
	$ 1,738	$ 1,183	$ -	$ 13

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003 (restated - Note 3)
Expenses (notional):		
Accommodation	$ 1,365	$ 1,078
Administrative	347	522
Legal Services	63	77
	$1,775	$1,677

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	Expenses(1)	Accommodation Costs(2)	Administration Costs(3)	Legal Services(4)	Vacation Pay(5)	Total Expenses	Total Expenses (restated - Note 3)
Program Support	$ 1,561	$ 63	$ 347	$ -	$ (1)	$ 1,970	$ 2,142
Child Welfare	21,502	1,186	-	63	(12)	22,739	21,012
Child Financial Support	311	-	-	-	-	311	335
Services to Children with Disabilities	2,656	63	-	-	(1)	2,718	3,106
Child Care	2,511	53	-	-	-	2,564	2,624
Early Intervention	1,523	-	-	-	-	1,523	1,958
Prevention of Family Violence	23	-	-	-	-	23	1,821
Mentoring for Parents	563	-	-	-	-	563	330
Fetal Alcohol Initiatives	117	-	-	-	-	117	191
Inter-Authority Services	626	-	-	-	-	626	1,080
Amortization	7	-	-	-	-	7	-
	$ 31,400	$ 1,365	$ 347	$ 63	$ (14)	$ 33,161	$ 34,599

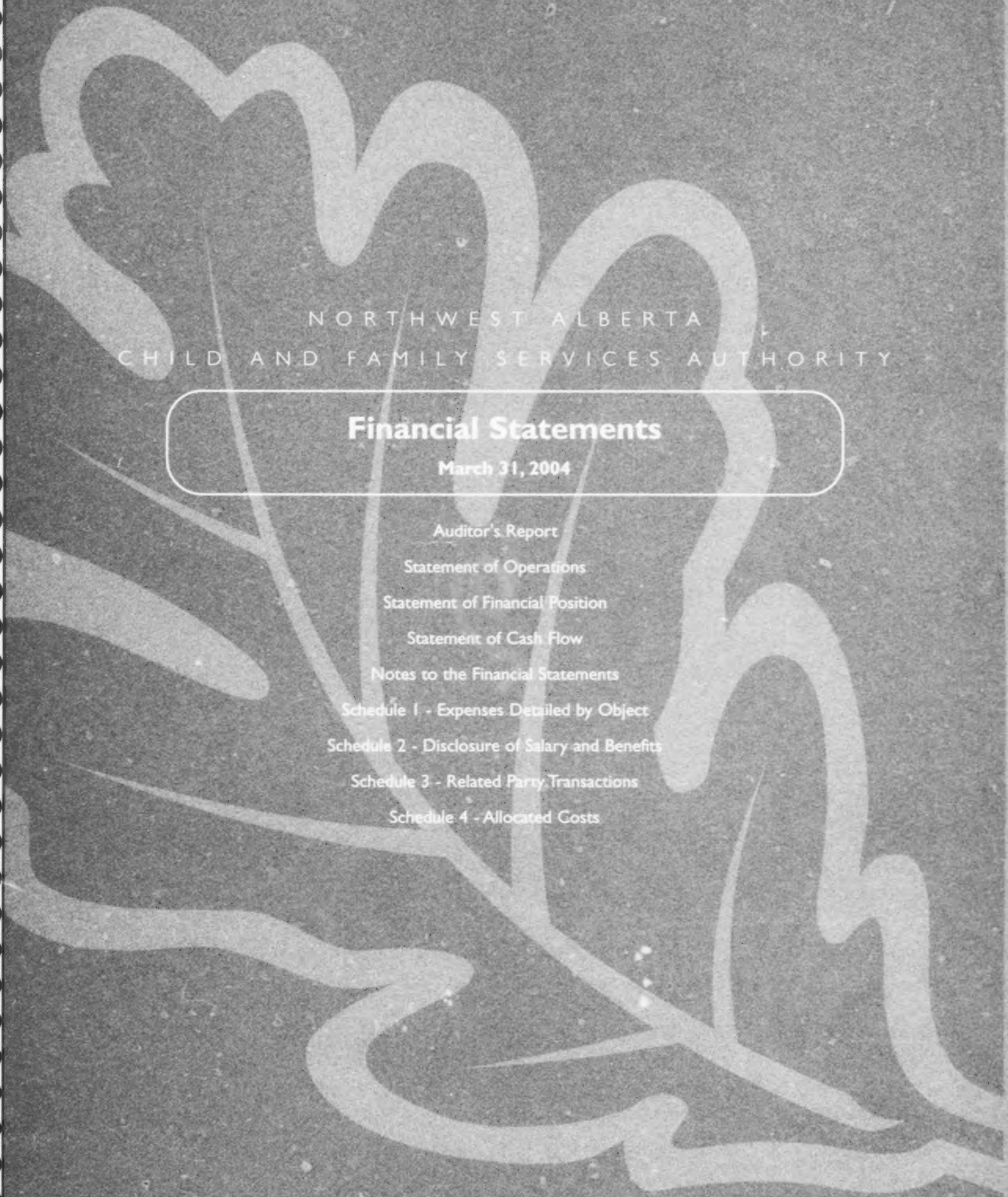
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the North Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



NORTHWEST ALBERTA

CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 - Expenses Detailed by Object

Schedule 2 - Disclosure of Salary and Benefits

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs

northwest alberta child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Northwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton Alberta
May 20, 2004

Statement of Operations

For the year ended March 31, 2004

	(In thousands) 2004 Budget	2004 Actual	2003 Actual (restated - Note - 3)
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 24,881	$ 25,555	$ 25,861
Recoveries - First Nation Reserves	784	509	1,192
Recoveries - Inter-Authority Services	1,116	71	306
Miscellaneous Revenue (Note 7)	-	854	171
	26,781	26,989	27,530
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	322	182	295
Management and Program Support	1,688	1,723	1,864
Community Coordination	1,037	496	1,117
Services to Children and Families:			
Child Welfare	15,103	17,775	15,730
Child Financial Support	194	234	167
Services to Children with Disabilities	2,906	2,176	2,491
Child Care	2,245	2,145	2,190
Early Intervention	1,718	1,691	1,551
Prevention of Family Violence (Note 9)	-	15	1,759
Mentoring for Parents	280	396	179
Fetal Alcohol Initiatives	172	77	59
Inter-Authority Services	1,116	71	306
Valuation Adjustments			
Vacation Pay (Note 2)	-	35	(27)
	26,781	27,016	27,681
Net Operating Results	$ -	$ (27)	$ (151)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2004

	(In thousands)	
	2004	2003 (restated Note-3)
Assets		
Cash	$ 1,689	$ 1,811
Accounts Receivable (Note 5)	822	976
Advances	1	3
	$ 2,512	$ 2,790
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 1,764	$ 2,015
Net Assets		
Net Assets at Beginning of Year	775	926
Net Operating Results	(27)	(151)
Net Assets at End of Year	748	775
	$ 2,512	$ 2,790

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004
Operating Transactions:	
Net Operating Results	$ (27)
Non-Cash Items:	
Vacation Pay	35
	8
Decrease in Accounts Receivable	154
Decrease in Advances	2
Decrease in Accounts Payable and Accrued Liabilities[a]	(286)
Cash Applied to Operating Transactions	(122)
Decrease in Cash	(122)
Cash, Beginning of Year	1,811
Cash, End of Year	$ 1,689

[a] Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Northwest Alberta Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. All individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Northwest Alberta Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivables, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $26,781 on May 27, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $822 and $1,764 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on prior months averages and outstanding invoices. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the new Northwest Alberta Child and Family Services Authority which consists of portions of the following previous authorities

100% Child and Family Services Authority Region 13
100% Region 14 Child and Family Services Authority
28% Neegan Awas'sak Child and Family Services Authority
100% Silver Birch Child and Family Services Authority

was formed. The effect of this change has been applied retroactively by restating all comparative amounts of these financial statements with the exception of the Statement of Cash Flow as the necessary financial data to restate the prior year is not reasonably determinable.

Assets and liabilities were transferred to the new authorities at their proportionate carrying values.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) grant budget	$ 24,881
Additional funding for the current year	674
Grant for the year	$ 25,555

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, and the remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 674	$ 754
Child and Family Services Authorities	9	83
Refunds from Suppliers	12	39
Direct Band Billing Recoveries	94	-
Other	33	100
	$ 822	$ 976

Note 6 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 4	$ 4
Trade Payable	1,139	1,378
Child and Family Services Authorities	15	61
Accrued Vacation Pay	606	572
	$ 1,764	$ 2,015

Note 7 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands)	
	2004	2003
Direct Band Billings	$ 654	$ -
Other miscellaneous revenue	16	96
Previous year over accrual	184	75
	$ 854	$ 171

Note 8 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	2003
Service Contracts	$ 3,553	$ -
Long-term leases[a]	445	334
	$ 3,998	$ 334

(a) The authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 189
2006	$ 128
2007	$ 80
2008	$ 46
2009	$ 2

Notes to the Financial Statements

For the year ended March 31, 2004

Note 9 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses included in these financial statements are estimated at $1,667.

Note 10 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 11 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual (restated - Note 3)
Manpower[a]	$ 9,263	$ 9,010	$ 9,003
Supplies and Services	14,897	15,855	16,475
Grants	1,505	2,044	2,154
Inter-Authority Services	1,116	71	306
Other	-	36	(27)
	26,781	27,016	27,911
Less: Recovery from Alberta Health and Wellness	-	-	(230)
	$ 26,781	$ 27,016	$ 27,681

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $61,000 (2003 -$72,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

	(In thousands)				
	2004				2003
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total (restated - Note 3)
Co-Chair of the Authority	$ -	$ 17	$ -	$ 17	$ 19
Co-Chair of the Authority	$ -	$ 13	$ -	$ 13	$ 24
Board Members (13 members)	$ -	$ 96	$ -	$ 96	$ 79
Chief Executive Officer	$ 96	$ 12	$ 26	$ 134	$ 112

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003 (restated - Note 3)	2004	2003 (restated - Note 3)
Revenues:				
Grant from the Department of Children's Services	$ 25,555	$ 25,861	$ -	$ -
Recoveries - First Nation Reserves	509	1,192	-	-
Recoveries - Inter-Authority Services	71	306	-	-
Prior Year Revenue - Inter-Authority Services	104	45	-	-
	$ 26,239	$ 27,404	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 190	$ 317	$ -	$ -
Alberta Corporate Service Centre	11	-	-	-
Department of Children's Services	417	413	-	11
	$ 618	$ 730	$ -	$ 11
Receivable from/(Payable to):				
Department of Children's Services	$ 670	$ 754	$ -	$ -
Southwest Alberta Child and Family Services Authority	-	(22)	-	-
Edmonton and Area Child and Family Services Authority	(5)	(17)	-	-
North Central Alberta Child and Family Services Authority	(10)	(31)	-	-
Northeast Alberta Child and Family Services Authority	-	23	-	-
Metis Settlements Child and Family Services Authority	9	56	-	-
	$ 664	$ 763	$ -	$ -

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003 (restated - Note 3)
Expenses (notional):		
Accommodation	$ 1,529	$ 1,398
Administrative	502	629
Legal Services	9	21
	$ 2,040	$ 2,048

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	**Expenses[1]**	**Accommodation Costs[2]**	**Administration Costs[3]**	**Legal Services[4]**	**Vacation Pay[5]**	**Total Expenses**	**Total Expenses** (restated - Note 3)
Program Support	$ 2,401	$ 246	$ 502	$ -	$ 5	$ 3,154	$ 4,123
Child Welfare	17,775	1,172	-	9	27	18,983	16,472
Child Financial Support	234	-	-	-	-	234	167
Services to Children with Disabilities	2,176	78	-	-	2	2,256	2,576
Child Care	2,145	33	-	-	1	2,179	2,230
Early Intervention	1,691	-	-	-	-	1,691	1,557
Prevention of Family Violence	15	-	-	-	-	15	1,760
Mentoring for Parents	396	-	-	-	-	396	179
Fetal Alcohol Initiatives	77	-	-	-	-	77	59
Inter-Authority Services	71	-	-	-	-	71	306
	$ 26,981	$ 1,529	$ 502	$ 9	$ 35	$ 29,056	$ 29,429

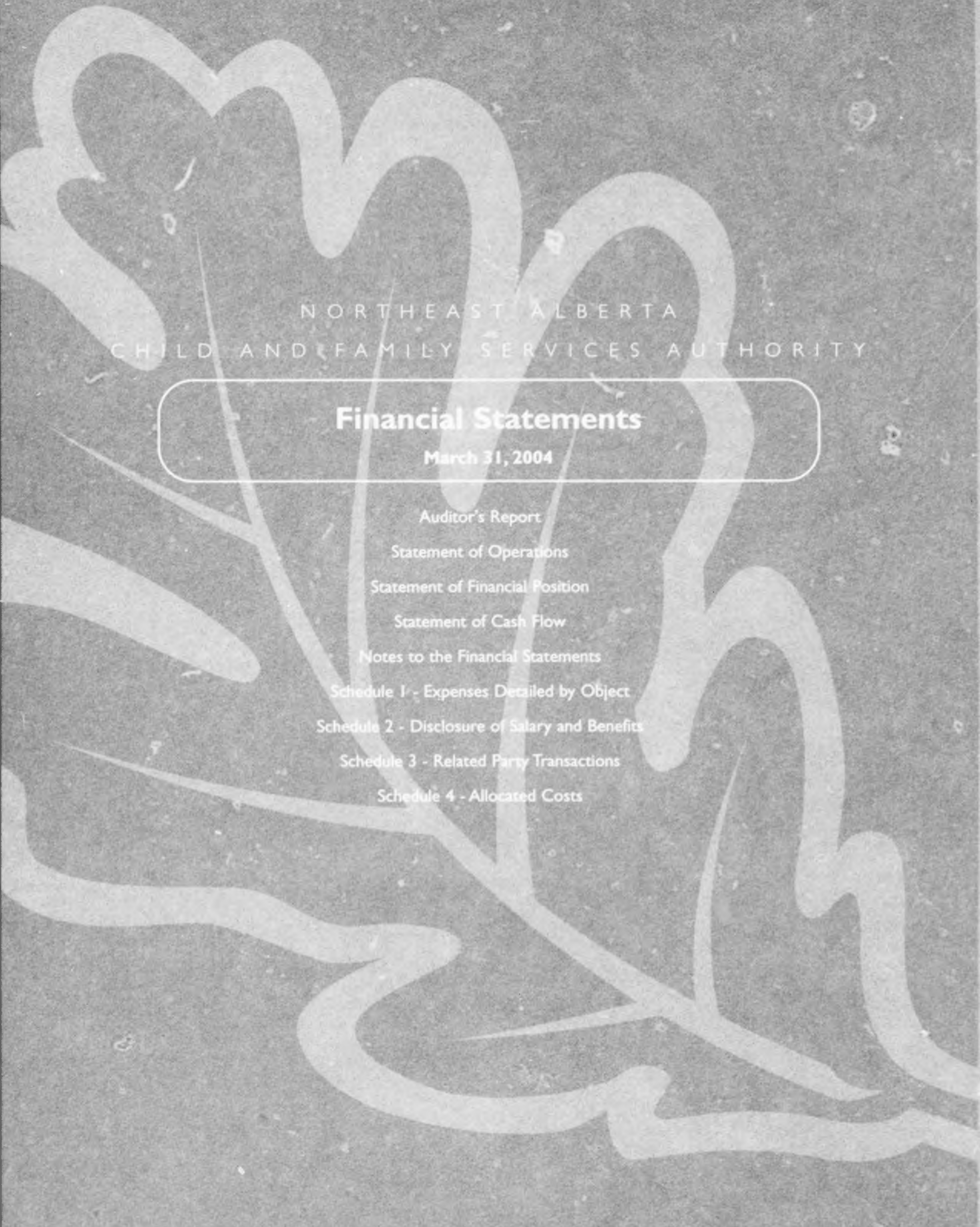
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



NORTHEAST ALBERTA
CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flow
Notes to the Financial Statements
Schedule 1 - Expenses Detailed by Object
Schedule 2 - Disclosure of Salary and Benefits
Schedule 3 - Related Party Transactions
Schedule 4 - Allocated Costs

northeast alberta child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Northeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Statement of Operations

For the year ended March 31, 2004

	2004 Budget	2004 Actual	2003 Actual
	(In thousands)		
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 8,293	$ 8,910	$ 8,794
Recoveries - First Nation Reserves	310	113	370
Recoveries - Inter-Authority Services	21	-	22
Miscellaneous Revenue (Note 7)	470	595	417
	9,094	9,618	9,603
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	31	23	26
Management and Program Support	394	427	357
Community Coordination	648	634	614
Services to Children and Families:			
Child Welfare	5,860	5,867	6,719
Child Financial Support	90	73	82
Services to Children with Disabilities	1,029	1,037	1,103
Child Care	220	310	296
Early Intervention	634	489	463
Prevention of Family Violence (Note 10)	-	-	426
Mentoring for Parents	96	96	63
Fetal Alcohol Initiatives	71	71	12
Inter-Authority Services	21	-	22
Valuation Adjustment:			
Vacation Pay (Note 2)	-	(24)	20
	9,094	9,003	10,203
Net Operating Results	$ -	$ 615	$ (600)

The accompanying notes and schedules are part of these financial statements.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	2003
Assets		
Cash	$ 318	$ 80
Accounts Receivable (Note 5)	341	391
	$ 659	$ 471
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 508	$ 935
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	(464)	136
Net Operating Results	615	(600)
Net Assets (Liabilities) at End of Year	151	(464)
	$ 659	$ 471

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004	(In thousands) 2003
Operating Transactions:		
Net Operating Results	$ 615	$ (600)
Non-Cash Items:		
Vacation Pay	(24)	20
	591	(580)
Decrease (Increase) in Accounts Receivable	50	(31)
Increase (Decrease) in Accounts Payable and Accrued Liabilities[a]	(403)	121
Cash Provided by (applied to) Operating Transactions	238	(490)
Increase (Decrease) in Cash	238	(490)
Cash, Beginning of Year	80	570
Cash, End of Year	$ 318	$ 80

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Northeast Alberta Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer, all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Northeast Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 9) that are restricted, are recognized in the year when the related expenses are incurred.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to the CEO and employees assigned by the Department of Children's Services to the authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of the CEO and employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying value of cash and accounts receivables approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $9,094 on May 12, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities, recorded at $341 and $508 respectively in these financial statements, are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated based on an analysis of the prior year and current year expenditure trends, vendor-based information of prior billing periods, and management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. As a result, the Awasak Child and Family Services Authority was renamed to Northeast Alberta CFSA. The authority's boundaries were unaffected by this change.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 8,293
Additional funding for the current year	617
Grant for the year	$ 8,910

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Department of Children's Services	$ 190	$ 324
Child and Family Services Authorities	-	1
Refunds from Suppliers	34	41
Alberta Human Resources and Employment	-	23
Other (Third Party Agreements/GST)	117	2
	$ 341	$ 391

Note 6 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands)	
	2004	2003
Trade Payable	$ 354	$ 587
Department of Children's Services	-	5
Child and Family Services Authorities	13	178
Accrued Vacation Pay	141	165
	$ 508	$ 935

Note 7 Miscellaneous Revenue

Miscellaneous revenue includes the following:

	(In thousands)	
	2004	2003
Recoveries of costs incurred under an agreement (see Note 9)	$ 388	$ 363
Other miscellaneous revenue	177	42
Previous year under accrual	30	12
	$ 595	$ 417

Note 8 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	2003
Service Contracts	$ -	$ 112
Long-term leases[a]	45	43
	$ 45	$ 155

(a) The authority leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 27
2006	$ 16
2007	$ 2

Note 9 Third Party Agreement (In thousands)

In partnership with Alberta Learning and Alberta Health and Wellness, the authority has entered into an agreement to deliver student health services in the Fort McMurray, Alberta area to children with emotional and behavioral issues. The partnership, funded by Alberta Learning, covers all costs incurred under this agreement. The Fort McMurray School District #2833 is the designated "banker" for distribution of the funds. Funding is based on cost recovery, therefore no surplus exists. The revenues and expenses of $388 (2003 - $363), and the resulting account receivable of $116 (2003- $0), are included in the financial statements.

Note 10 Program Transfer (In thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $415 and $35 respectively.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 11 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 12 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Manpower[a]	$ 2,378	$ 2,510	$ 2,359
Supplies and Services	6,434	7,129	7,859
Grants	261	346	329
Inter-Authority Services	21	-	22
Other	-	(24)	20
	9,094	9,961	10,589
Less: Recovery from Alberta Health and Wellness	-	(958)	(386)
	$ 9,094	$ 9,003	$ 10,203

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $24,000 (2003 - $20,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

(In thousands)

	2004				2003
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Co-Chair of the Authority	$ -	$ 8	$ -	$ 8	$ 4
Co-Chair of the Authority	$ -	$ 2	$ -	$ 2	$ -
Board Members (5 members)	$ -	$ 13	$ -	$ 13	$ 10
Chief Executive Officer	$ 111	$ 13	$ 23	$ 147	$ 139

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues:				
Grant from the Department of Children's Services	$ 8,910	$ 8,794	$ -	$ -
Recoveries - First Nation Reserves	113	370	-	-
Recoveries - Inter-Authority Services	-	22	-	-
Department of Children's Services - Other	156	-	-	-
	$ 9,179	$ 9,186	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 314	$ 937	$ -	$ -
Department of Children's Services	165	140	-	-
	$ 479	$ 1,077	$ -	$ -
Receivable from/(Payable to):				
Department of Children's Services	$ 190	$ 324	$ -	$ -
Edmonton and Area Child and Family Services Authority	(3)	(24)	-	-
North Central Alberta Child and Family Services Authority	(10)	(130)	-	-
Northwest Alberta Child and Family Services Authority	-	(23)	-	-
	$ 177	$ 147	$ -	$ -

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003
Expenses (notional):		
Accommodation	$ 787	$ 1,055
Administrative	150	231
Legal Services	8	19
	$ 945	$ 1,305

Allocated Costs - Schedule 4

For the year ended March 31, 2004

	(In thousands)						
	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	**Expenses(1)**	**Accommodation Costs(2)**	**Administration Costs(3)**	**Legal Services(4)**	**Vacation Pay(5)**	**Total Expenses**	**Total Expenses**
Program Support	$ 1,084	$ 112	$ 150	$ -	$ (3)	$ 1,343	$ 1,389
Child Welfare	5,867	619	-	8	(19)	6,475	7,591
Child Financial Support	73	-	-	-	-	73	82
Services to Children with Disabilities	1,037	56	-	-	(2)	1,091	1,103
Child Care	310	-	-	-	-	310	338
Early Intervention	489	-	-	-	-	489	482
Prevention of Family Violence	-	-	-	-	-	-	426
Mentoring for Parents	96	-	-	-	-	96	63
Fetal Alcohol Initiatives	71	-	-	-	-	71	12
Inter-Authority Services	-	-	-	-	-	-	22
	$ 9,027	$ 787	$ 150	$ 8	$ (24)	$ 9,948	$ 11,508

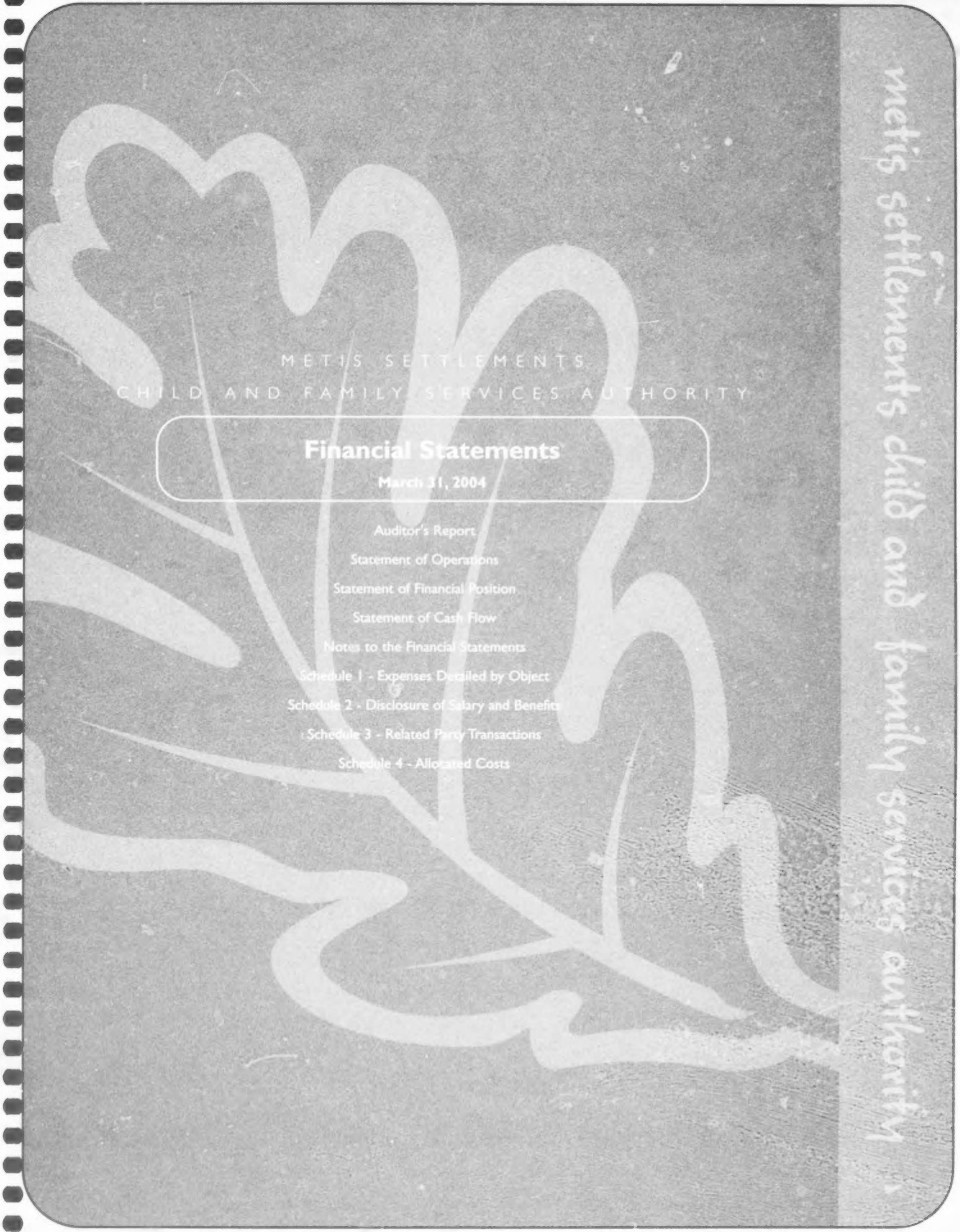
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Northeast Alberta Child and Family Services Authority's building costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



METIS SETTLEMENTS

CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

March 31, 2004

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 - Expenses Detailed by Object

Schedule 2 - Disclosure of Salary and Benefits

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs

metis settlements child and family services authority

Auditor's Report

As at March 31, 2004

AUDITOR
GENERAL
Alberta

To the Members of the Métis Settlements Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Métis Settlements Child and Family Services Authority (the Authority) as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 18, 2004

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	$ 4,035	$ 4,253	$ 3,926
Miscellaneous Revenue (Note 7)	288	35	348
	4,323	4,288	4,274
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	125	110	132
Management and Program Support	206	321	218
Community Coordination	288	30	339
Services to Children and Families:			
Child Welfare	2,709	2,636	2,631
Child Financial Support	151	231	146
Services to Children with Disabilities	219	201	155
Child Care	22	1	16
Early Intervention	530	527	532
Prevention of Family Violence (Note 10)	-	11	113
Mentoring for Parents	49	49	50
Fetal Alcohol Initiatives	24	24	15
Valuation Adjustment			
Vacation Pay	-	9	(2)
	4,323	4,150	4,345
Net Operating Results	$ -	$ 138	$ (71)

The accompanying notes and schedules are part of these financial statements.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

As at March 31, 2004

	(In thousands) 2004	2003
Assets		
Cash	$ 324	$ 184
Accounts Receivable (Note 5)	124	201
Advances	1	0
	449	385
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	326	400
Net Assets (Liabilities)		
Net Assets/(Liabilities) at Beginning of Year	(15)	56
Net Operating Results	138	(71)
Net Assets/(Liabilities) at End of Year	123	(15)
	$ 449	$ 385

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2004

	(In thousands) 2004	2003
Operating Transactions:		
Net Operating Results	$ 138	$ (71)
Non-Cash Items:		
Valuation Adjustments	9	(2)
	147	(73)
Decrease (Increase) in Accounts Receivable	77	(56)
Decrease (Increase) in Advances	(1)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities[a]	(83)	70
Cash Provided (Used) by Operating Transactions	140	(59)
Cash, Beginning of Year	184	243
Cash, End of Year	$ 324	$ 184

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 1 Authority and Purpose

The Metis Settlements Child and Family Services Authority (the authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Children's Services.

The purpose of the authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the authority. With the exception of the Chief Executive Officer, all individuals working for the authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the authority.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies. These are supplemented by other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector.

REPORTING ENTITY

The reporting entity is the Metis Settlements Child and Family Services Authority, which is part of the Ministry of Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 9) that are restricted, are recognized in the year when the related expenses are incurred.

Expenses

Directly Incurred

Directly incurred expenses are those costs the authority has primary responsibility and accountability for, as reflected in the authority's budget.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and employees assigned to the authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the authority's operations are disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivables, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The authority receives its financing by way of a grant from the Department of Children's Services. The authority is economically dependent upon the Department of Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2003-04 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 16, 2003. The authority approved the budget of $4,323 on April 15, 2003.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $124 and $326 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Notes to the Financial Statements

For the year ended March 31, 2004

Note 3 Restructure of Child and Family Services Authorities

Effective April 1, 2003, the ministry restructured the boundaries of the previous 18 authorities into ten regions. The authority's boundary and name was unaffected by this change.

Note 4 Grant from the Department of Children's Services

The grant was determined as follows:

	(In thousands)
Initial (original) budget	$ 4,035
Additional funding for the current year	218
Grant for the year	$ 4,253

Note 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Children's Services and other external parties.

	(In thousands) 2004	2003
Department of Children's Services	$ 97	$ 87
Federal Justice Department	26	114
Other (GST Receivable)	1	-
	$ 124	$ 201

Note 6 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(In thousands) 2004	2003
Trade Payable	$ 159	$ 213
Child and Family Services Authorities	9	79
Accrued Vacation Pay and other Manpower Expenses	158	108
	$ 326	$ 400

Note 7 Miscellaneous Revenue

Miscellaneous revenues includes the following:

	(In thousands) 2004	2003
Recoveries of costs incurred under an agreement (see Note 9)	$ -	$ 278
Other miscellaneous revenue	14	5
Previous year over accrual	21	3
Donations	-	62
	$ 35	$ 348

Note 8 Commitments

As at March 31, 2004, the authority has the following commitments:

	(In thousands)	
	2004	2003
Long-term leases[a]	$ 6	$ 52

(a) The authority leases certain equipment under operating leases that expire on various dates to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2005	$ 5
2006	$ 1

Note 9 Third Party Agreement (In thousands)

In partnership with the Metis General Council, the Federal Justice Department, and the Provincial Justice Department, the authority had entered into an agreement to deliver restorative and preventative Justice programs on the eight Metis Settlements in Alberta. Also, in partnership with the Aboriginal Justice Learning Network of the Federal Justice Department, the authority had entered into an agreement to provide mediation-training services. All costs incurred under this agreement were covered by the Federal Justice Department through the Federal Aboriginal Justice Directorate and surplus is returned to the Federal Justice Department. These agreements are no longer taking place.

The revenues and expenses of $0 (2003 $278) and the resulting account receivable/payable of $26 (2003 $73), are included in the financial statements.

Note 10 Program Transfer (in thousands)

Effective April 1, 2003, the program delivery expenses for the Women's Shelter portion of the Prevention of Family Violence program were transferred from the authority to the Department of Children's Services.

For the year ended March 31, 2003, the Women's Shelter expenses and accrued liabilities included in these financial statements are estimated at $113 and $34 respectively.

Note 11 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 12 Approval of Financial Statements

The financial statements have been approved by the authority.

Expenses Detailed by Object - Schedule 1

For the year ended March 31, 2004

	(In thousands)		
	2004		2003
	Budget	Actual	Actual
Manpower[(a)]	$ 1,481	$ 1,394	$ 1,388
Supplies and Services	2,669	2,722	2,806
Grants	173	167	153
Other	-	9	(2)
	4,323	4,292	4,345
Less: Recovery from Alberta Health and Wellness	-	(142)	-
	$ 4,323	$ 4,150	$ 4,345

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the authority. This includes $30,000 (2003 -$26,000) in achievement bonuses for management and non-union staff.

Disclosure of Salary and Benefits - Schedule 2

For the year ended March 31, 2004

(In thousands)

	2004				2003
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Co-Chair of the Authority	$ -	$ 18	$ -	$ 18	$ 18
Co-Chair of the Authority	$ -	$ 4	$ -	$ 4	$ 23
Board Members (6 members)	$ -	$ 50	$ -	$ 50	$ 45
Chief Executive Officer	$ 104	$ 13	$ 22	$ 139	$ 110

(1) For the Chief Executive Officer, salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

Related Party Transactions - Schedule 3

For the year ended March 31, 2004

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the authority.

The authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues:				
Grant from the Department of Children's Services	$ 4,253	$ 3,926	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 51	$ 224	$ -	$ -
Alberta Corporate Service Centre		-	1	-
Department of Children's Services	49	56	-	-
	$ 100	$ 280	$ 1	$ -
Receivable from/(Payable to):				
Department of Children's Services	$ 96	$ 87	$ -	$ -
Northwest Alberta Child and Family Services Authority	(9)	(57)	-	-
North Central Child and Family Services Authority	-	(22)	-	-
	$ 87	$ 8	$ -	$ -

The authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

	(In thousands)	
	Other Entities	
	2004	2003
Expenses (notional):		
Accommodation	$ 267	$ 300
Administrative	79	108
Legal Services	-	10
	$ 346	$ 418

Allocated Costs - Schedule 4

For the year ended March 31, 2004

(In thousands)

	2004						2003
		Expenses - Incurred by Others			Valuation Adjustments		
Program	**Expenses[1]**	**Accommodation Costs[2]**	**Administration Costs[3]**	**Legal Services[4]**	**Vacation Pay[5]**	**Total Expenses**	**Total Expenses**
Program Support	$ 461	$ 27	$ 79	$ -	$ 1	$ 568	$ 819
Child Welfare	2,636	200	-	-	7	2,843	2,875
Child Financial Support	231	13	-	-	-	244	145
Services to Children with Disabilities	201	27	-	-	1	229	174
Child Care	1	-	-	-	-	1	18
Early Intervention	527	-	-	-	-	527	554
Prevention of Family Violence	11	-	-	-	-	11	113
Mentoring for Parents	49	-	-	-	-	49	50
Fetal Alcohol Initiatives	24	-	-	-	-	24	15
	$ 4,141	$ 267	$ 79	$ -	$ 9	$ 4,496	$ 4,763

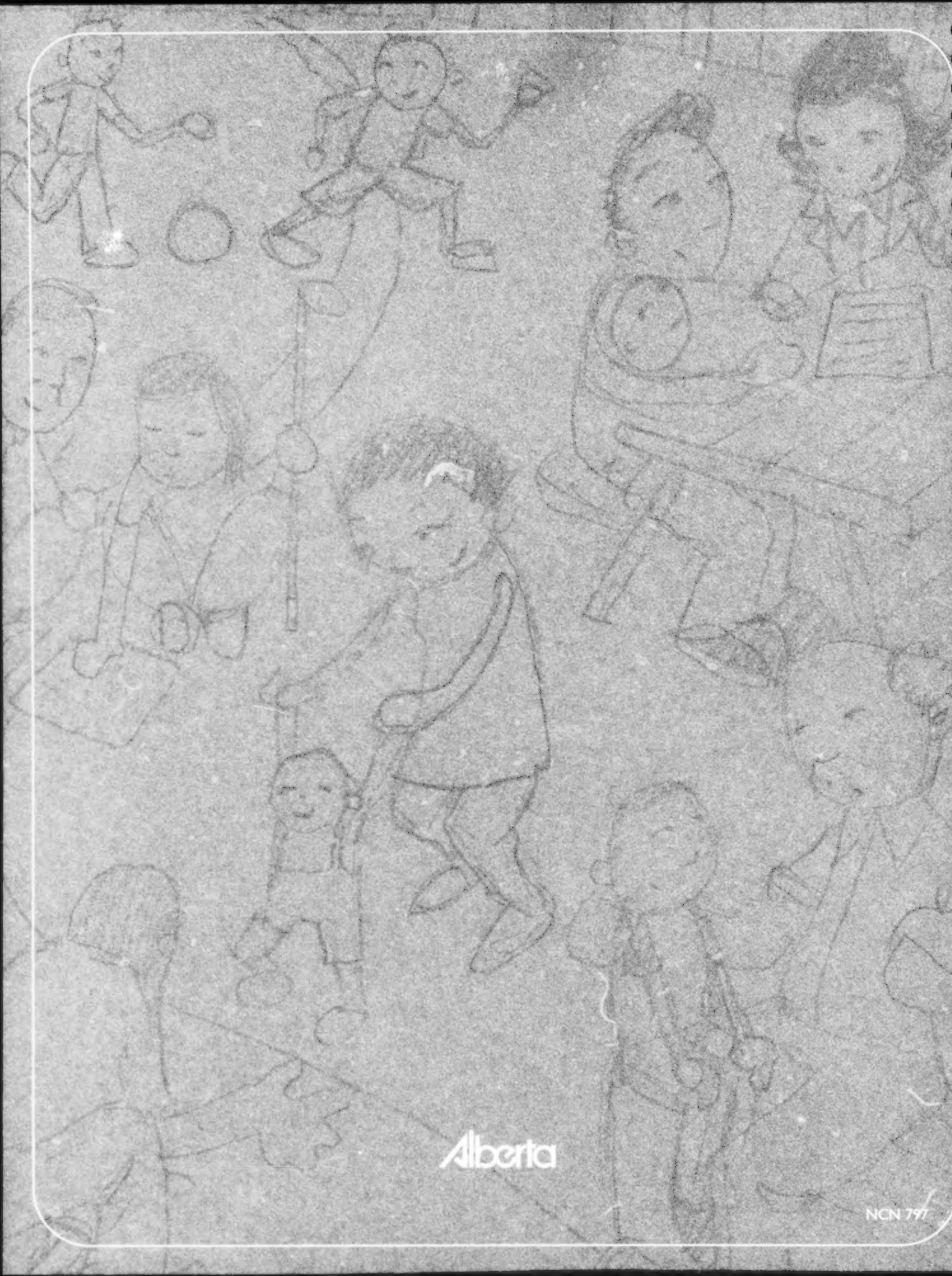
(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Metis Settlements Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Alberta Corporate Service Centre and paid for by the Department of Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Welfare Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.



Alberta

NCN 797